



# ***Daily Report—***

## **China**

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Monday  
26 September 1994

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# Daily Report

## China

FBIS-CHI-94-186

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**NOTICE TO READERS:** Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

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### General

#### Sports Officials Say Boycott Not Decided

OW2309124994 Tokyo KYODO in English 1129 GMT  
23 Sep 94

[Text] Beijing, Sept. 23 KYODO—Chinese sports officials refused to confirm Friday [23 September] whether their national team would boycott the Hiroshima Asian Games if a Taiwanese political figure is allowed to attend.

"It is presently difficult to say if the team will leave on Sept. 26 as planned. This depends on the attitude of Japan," a spokesman at the State Physical Culture and Sports Commission said of China's national football team.

The spokesman refused to confirm a statement made Thursday by a Chinese yachting coach already in Hiroshima, who said the Chinese team would boycott the games if the Taiwan deputy premier and member of the Taiwan bidding committee for the 2002 Asian Games, Hsu Li-teh, is allowed to attend the Oct. 2-16 games.

"He was expressing the opinion of our coaches and athletes in Hiroshima, but whether or not our other athletes attend, well this we are presently looking into," he said.

Besides the football team, which has a match scheduled on Oct. 1, China's other sports teams are expected to leave China in two groups, one on Sept. 28, and the other in early October.

China's Foreign Ministry Thursday made a strong representation to Japan's Ambassador to China Michihiko Kunihiro protesting Hsu's presence—under any pretext or title—at the games and called such efforts to attend a "clear attempt at creating one China, one Taiwan" in international affairs.

The People's Republic of China has considered Taiwan a renegade province since the Kuomintang fled the mainland after losing the Chinese civil war in 1949 and established the Republic of China on Taiwan island.

Since 1972, when the mainland took over Taiwan's seat in the United Nations, Beijing has made extensive efforts to isolate Taiwan from the international community, despite Taipei's widespread international trade and economic relations.

#### Hiroshima Committee Should Not Allow Tsu To Attend

OW2309153294 Beijing XINHUA in English 1509  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—The Chinese Olympic Committee on Friday [23 September] notified the Hiroshima Asian Games Organizing Committee of the issue of Tsu Li-teh's attendance in the Asiad.

Wei Jizhong, secretary general of the Chinese Olympic Committee, sent a cable to Takayoshi Fukushima, secretary general of the Hiroshima Asian Games Organizing Committee, to state that the Hiroshima Asiad organizers should take necessary measures not to accept the attendance of Tsu Li-teh.

Wei said in the telegram, "I am just back from Kuwait where OCA President Shaykh Fahad al-Ahmad confirmed that the issuance of an ID card to Tsu Li-teh is against his statement made on September 12."

Wei said that he hoped Fukushima could make a decisive decision to avoid any serious outcome.

#### Sports Chief Denounces Tsu's Asiad Attendance

OW2309174994 Beijing XINHUA in English 1731  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—A Chinese sports official on Friday [23 September] denounced the attendance by Tsu Li-teh at the coming 12th Asian games to be held in Hiroshima.

Xu Yinsheng, China's deputy sports minister, told the press that the existing policies of Chinese Taipei contradict the Nagoya stipulation by the International Olympic Committee as regards the eligibility to host full-length sporting events.

Xu said: "the bidding for the Asian Games is consisted of individual candidate cities. Chinese Taipei has not even decided on which city to bid for the 2002 Asiad and the sporting standards and facilities in Taipei are not suitable to hosting top-notched international events."

The Chinese sports minister said that Tsu is not the mayor of any Chinese Taipei City and he is not representing any Taipei City to bid for the 2002 Asiad.

Xu pointed out that Tsu Li-teh just falls into the category classified by the Olympic Council of Asia as the political figures who are not invited to attend the Hiroshima Asiad.

Xu Yinsheng said that China has long been supporting the development of sports in Asia and has contributed much in this aspect.

He expressed serious concerns that the attendance by Tsu Li-teh at the Hiroshima Asian games would damage the coming Asian Games.

#### Beijing Asks Tokyo To Postpone Hashimoto's Visit

OW2309140194 Tokyo NIHON KEIZAI SHIMBUN in  
Japanese 23 Sep 94 Morning Edition p 1

[By correspondent Moriyasu Okazaki]

[Text] Beijing, 22 Sep—International Trade and Industry Minister Ryutaro Hashimoto plans to visit China in late September for talks with Wu Yi, Chinese

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foreign economic relations and trade minister. Commenting today on the planned visit by Minister Hashimoto to China, a Chinese Foreign Ministry spokesman made it clear that the Chinese Government had asked the Japanese Government to postpone his planned visit to China, citing Minister Wu Yi's tight official schedule. The Chinese Foreign Ministry spokesman also pointed to the need to reexamine a planned visit by State Councillor Li Tieying (vice premier) to Japan leading a group of Chinese athletes to participate in the Asian Games in Hiroshima. Although he did not mention visits by Taiwanese leaders to Japan, his statements are interpreted as an expression of China's unhappiness with Japan's decision to allow Taiwanese Deputy Premier Hsu Li-teh to attend the Asian Games.

On 22 September, Chinese Deputy Foreign Minister Tian Zengpei summoned Japanese Ambassador to China Michihiko Kunihiro to the Foreign Ministry. During the meeting, the Chinese deputy foreign minister expressed regret over the Japanese Government's refusal to revoke the entry visa for Taiwanese Deputy Premier Hsu Li-teh and warned that "whether the Sino-Japan relations retrogradE or not will hinge on the attitude of the Japanese Government."

This summer, China aggressively received a number of Japanese politicians and President Jiang Zemin warmly received some of them even on holidays. The CPC is scheduled to hold important meetings in late September and it is true that the Chinese Government is in a difficult position to arrange meetings between Chinese leaders and visiting foreigners in late September. Nonetheless, it is undeniable that the Chinese Government's request for postponing the planned visit by Minister Hashimoto to China is unprecedented.

The governments of Japan and China have regarded Chinese State Councillor Li Tieying's attendance at the Asian Games as a fait accompli. The Chinese Foreign Ministry spokesman stressed that the Chinese Government has yet to decide on his attendance at the Asian Games, saying, "There are various things that need to be examined."

**Foreign Minister Qian Qichen Arrives in New York**

OW2409001894 Beijing XINHUA in English 2336  
GMT 23 Sep 94

[Text] New York, September 23 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen arrived here this evening to attend the 49th UN General Assembly before paying an official visit to the United States.

Qian is scheduled to give a speech on September 28 during the general debate of the current UN General Assembly, presenting China's views on world affairs, foreign policy and institutional reform of the United Nations.

According to diplomatic sources, the Chinese foreign minister will meet foreign government leaders and his counterparts during his stay in New York. He will exchange views with Japanese foreign minister and British foreign secretary on substantial issues concerning bilateral relations during their meetings here.

On October 3 and 4, after his activities at the United Nations, the Chinese vice premier and foreign minister will visit the United States at the invitation of U.S. Secretary of State Warren Christopher, the first time for a Chinese foreign minister to pay an official visit to the country since 1990.

Qian is expected to meet with U.S. President Bill Clinton and hold talks with Christopher on bilateral relations and international issues of common concern.

**Beijing Criticizes Nuclear Smuggling, Proliferation Draft**

OW2409022994 Beijing XINHUA in English 0201  
GMT 24 Sep 94

[Text] Vienna, September 23 (XINHUA)—The International Atomic Energy Agency (IAEA) today adopted resolutions calling for action to halt international nuclear smuggling and suspected erosion of the unclear non-proliferation pact.

The Vienna-based United Nations watchdog agency expressed "deep concern" over the problem of smuggling of nuclear material in various parts of the world.

The agency urged IAEA member states to "take all necessary measures to prevent illicit trafficking in nuclear material" and called for closer international cooperation to deal with the problem.

The resolution called on IAEA Director General Hans Blix to increase agency support to member nations in controlling nuclear stockpiles, analyzing suspect materials, and improving safety measures.

The resolution was introduced by Germany on behalf of the European Union.

Four instances of nuclear smuggling were discovered in Germany between May and August this year.

Earlier this week, Germany urged the IAEA to act quickly to help its members tighten control of radioactive materials.

In a separate resolution proposed by France, the IAEA again urged the Democratic People's Republic of Korea (DPRK) "to cooperate immediately with the IAEA in the full implementation of the safeguards agreement and to allow the IAEA to have access to all safeguards-relevant information and locations."

The DPRK is now holding direct negotiations with the United States in Geneva, aimed at settling the issue of nuclear material on the Korean peninsula and the resumption of normal inspections.

In discussing the draft document of this resolution, the Chinese delegation expressed a different position, saying the draft had raised demands that were totally unrealizable, unconstructive, and not in accordance with the right direction of finding a solution through negotiations.

The resolutions were adopted at the end of the IAEA's five-day 38th conference, which were attended by delegations from 121 IAEA member states and a number of organizations around the world.

#### Delegate Reaffirms Position on DPRK Nuclear Issue

OW2409170494 Beijing XINHUA in English 1447  
GMT 24 Sep 94

[Text] Vienna, September 23 (XINHUA)—A senior Chinese delegate reaffirmed here today China's position on the issue of nuclear material in the Korean peninsula.

Speaking at the conclusion of the 38th Conference of the International Atomic Energy Agency (IAEA), delegate Chen Shiqiu said China expects all parties concerned to find an early solution to the issue through patient, earnest negotiations.

"China sincerely hopes that the issue of nuclear material on the Korean Peninsula can be settled fairly, reasonably and as soon as possible through appropriate channels, without further complications and setbacks," Chen said.

"Our goal is to make the Korean Peninsula a zone free from nuclear weapons and to maintain peace and stability in the Korean Peninsula. This not only conforms with the interests of the people in both North and South Korea, but also suits the interests of people in the rest of the world," he said.

Chen also praised IAEA Director Hans Blix's report for objectively reviewing all developments on this issue over the past year.

Chen's speech came as the IAEA conference adopted resolutions calling for action to halt international nuclear smuggling and any erosion of the nuclear non-proliferation pact.

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#### U.S., DPRK Resume High-Level Talks in Geneva

OW2309175494 Beijing XINHUA in English 1503  
GMT 23 Sep 94

[Text] Geneva, September 23 (XINHUA)—The United States and the Democratic People's Republic of Korea

(DPRK) began the second session of the third round of high-level talks on the nuclear issue on the Korean Peninsula here this morning.

The meeting will last about a week. U.S. senior negotiator Robert Gallucci expressed optimism concerning progress in the talks when he arrived in Geneva on Wednesday [21 September].

The U.S. and the DPRK agreed during previous talks between high-level officials in Geneva in early August to replace the graphite nuclear reactors that are currently operating in the DPRK with light-water reactors, but they have yet to overcome wide differences concerning which country will provide the light-water reactors.

In a joint statement issued after the August meeting, the two countries expressed their agreement to discuss the setting up of liaison offices in each other's capital cities. Subsequently, in September, they held expert-level talks in Pyongyang and Berlin on the mutual establishment of liaison offices and the replacement of the DPRK's reactors.

The two countries have agreed to normalize their diplomatic and trade relations gradually.

#### DPRK Objects to IAEA Special Inspections

OW2409210494 Beijing XINHUA in English 2009  
GMT 24 Sep 94

[Text] Geneva, September 24 (XINHUA)—The chief negotiator of the Democratic People's Republic of Korea (DPRK) reiterated here today that his country could not accept "special inspections" of its alleged nuclear sites sought by the International Atomic Energy Agency (IAEA).

"We have never recognized special inspections," said Kang Sok-chu, the DPRK's chief negotiator to the high-level nuclear talks between the United States and the DPRK resumed here on Friday.

But Kang, the DPRK's first deputy foreign minister, added, "in future when both sides have built up trust and confidence and normal relations, we would be prepared to demonstrate the transparency of our nuclear activities."

Kang made the remarks at an unscheduled news conference at the DPRK mission in Geneva before experts from both sides began a working-level discussion this morning.

Meanwhile, a senior U.S. official, who declined to be named, told a news conference this afternoon that the United States are prepared to move towards normal relations with the DPRK, but the United States are prepared to do so "only in the context of a settlement of the nuclear issue".

The current round of U.S.-DPRK talks began with a working-level talks between experts on Friday morning

and a head-of-delegation meeting in the afternoon between Kang Sok-chu and Robert Gallucci, head of the U.S. delegation.

Kang said that there had been progress in his meeting with Gallucci. They focused on the replacement of the DPRK's graphite reactors with light-water plants which produce little weapons-grade plutonium.

The DPRK agreed to freeze much of its current nuclear industry plans after the last round of high-level talks with the Americans in Geneva in August. In exchange, the United States said it would help the DPRK to obtain the light-water plants.

According to the senior U.S. official, the atmosphere of the two rounds of working-level talks held was "serious", but no progress had yet been made. Both sides had just exchanged their views and talked about their positions.

He also said that experts from the two sides are likely to continue their discussions on Sunday afternoon or Monday morning.

#### DPRK Warns U.S. Against Military Threat

OW2509091194 Beijing XINHUA in English 0813  
GMT 25 Sep 94

[Text] Pyongyang, September 25 (XINHUA)—Pyongyang warned Washington Saturday [24 September] that it would take measures against the military threat from the United States while high-level talks are going on in Geneva.

A Foreign Ministry spokesman of the Democratic People's Republic of Korea (DPRK) said the U.S. should not expect "any concession from us" by means of "combining force with diplomacy."

The spokesman made the remarks when answering questions raised by the Korean Central News Agency (KCNA) in response to the U.S. deployment of aircraft carriers in the eastern sea [Sea of Japan] area of the DPRK.

He warned that if the U.S. continues with the threat, his country will stop temporarily freezing its nuclear activities and resume routine peaceful nuclear activities.

"Dialogue is incompatible with military threat," the spokesman was quoted by KCNA as saying. He added that "it is the spirit and will of our people and Army to approach dialogue with dialogue and force with force to the last."

"It is our position to solve the issues through equitable negotiation," he stressed. But if the U.S. military hard-line conservatives persist in a confrontational stand, he said, there is no point for DPRK to continue the talks while being exposed to the military threats.

#### UN Security Council Eases Sanctions Against Belgrade

OW2409040994 Beijing XINHUA in English 0312  
GMT 24 Sep 94

[Text] United Nations, September 23 (XINHUA)—The United Nations Security Council today eased sanctions

against Yugoslavia while tightening those against Bosnian Serbs.

The vote on the 15-nation council to ease sanctions was 11-2, with two abstentions while the vote on tightening sanctions was 14-0 with one abstention.

With an unanimous vote, the UN council also approved a resolution condemning Bosnian Serb ethnic cleansing against Muslim civilians.

#### More on Easing Sanctions

OW2409065594 Beijing XINHUA in English 0619  
GMT 24 Sep 94

[Text] United Nations, September 23 (XINHUA)—The UN Security Council today adopted three resolutions, easing sanctions on Yugoslavia, tightening sanctions on Bosnian Serbs, and condemning Bosnian Serbs' "ethnic cleansing" in areas under their control.

As part of the easing of sanctions on Yugoslavia, Belgrade's airport will be reopened for all civilian passenger flights and passenger ferry service between Bar in Montenegro and Bari [as received] will be resumed, allowing Yugoslavians to take part in international sports and cultural exchanges.

The decision will come into force for an initial period of 100 days after UN Secretary-General Boutros Boutros-Ghali reports that the republic has stopped the export of all but humanitarian goods to areas controlled by Bosnian Serb forces.

Thereafter, the council will review the implementation every 30 days. If Yugoslavia resumes shipping prohibited goods to Serbs-controlled areas, the actions will be reimposed.

Of the 15-member council, 11 voted for the draft resolution, Djibouti and Pakistan voted against it, while Nigeria and Rwanda abstained.

In another resolution, the security council called on UN member states to end political talks with Bosnian Serb leaders and prohibit economic activities with any person or entity within Serbs-controlled areas.

#### Li Peng Meets With Visiting International Space Officials

OW2309180694 Beijing XINHUA in English 1433  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—Chinese Premier Li Peng said that the Chinese Government has paid great attention to space technology and its applications.

The Chinese premier made the remark in a meeting with delegates attending the Ministerial Conference on Space Applications for Development in Asia and Pacific at the Great Hall of the People here this afternoon.

Ministers and other high-level officials from 31 countries are taking part in the ministerial conference on space applications for development in the region, organized by the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP).

Extending a warm welcome on behalf of the Chinese Government to foreign delegates, the Chinese premier said that the Chinese Government greatly appreciated the efforts made by ESCAP in promoting the region's economic development and prosperity as well as strengthening cooperation between member nations.

"The Chinese Government has paid great attention to space technology and its applications," Li said. "After many years of efforts, China has achieved significant progress in this field."

"Applications of space technology are now playing an active role in the country's social and economic development, especially in the areas of telecommunications, broadcasting, resource remote-sensing, environment monitoring, agriculture and education," he said.

"With the country's further economic development, reform and opening to the outside world, China's space technology's applications will make greater progress," he said.

Being a developing country, he said, China has yet to make greater efforts to meet demands of the country's economic development and to catch up with the international level though the country has achieved many results.

"China's departments concerned and scientists should continue to learn the advanced technology and experience of foreign countries," the Chinese premier said.

The Chinese premier said that he hoped the meeting will play an important role in promoting China's space technology development and strengthening the country's friendly cooperation with Asian-Pacific countries in this field. "Through the joint efforts of all countries, the space technology will see greater development for the benefits for Asian-Pacific countries and the mankind as a whole," he said.

Song Jian, state councillor and minister of the State Science and Technology Commission, was present at the meeting.

#### **Qian Qichen Calls For Regional Cooperation on Space**

OW2309180894 Beijing XINHUA in English 1432  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen today urged Asia-Pacific nations to take the advantage of political stability and economic growth to foster regional cooperation for promoting space technology and applications for development.

Opening a two-day United Nations conference at China World Hotel, Qian said that political stability and dynamic economies of the Asia-Pacific region offer "rare opportunities" for enhancing regional cooperation in space technology applications.

Attending the ministerial conference on space applications for development in the region, organized by the UN Economic and Social Commission for Asia and the Pacific (ESCAP), are ministers and other high-ranking officials from 31 countries.

Qian said that the development and applications of high technology including space could help narrow the economic gap between countries of the north and south.

"High technology is a harbinger of development," he said. "The sustained economic development of the Asia-Pacific region could not have been achieved in isolation from the development, applications and extension of science and technology."

China will strongly support regional cooperation in space technology applications under the ESCAP framework, thereby contributing to the promotion of sustainable development and common prosperity in the region, Qian said.

Chinese Government, he said, attaches great importance to the advancement of space technology and its applications. A plan of action is being drafted to be incorporated into China's national development program, he said.

Rafeeuddin Ahmed, ESCAP executive secretary, said in his opening address that the sharing of resources among countries of the region would lower the costs of applying space technology for development.

"The development of an independent and comprehensive program for space technology and applications could be expensive and beyond the means of many developing countries of the region," he pointed out.

The meeting is expected to adopt on Saturday [24 September] a regional program as a mechanism for enhancing cooperation among countries of the region in space applications for development.

#### **Song Jian Urges 'Global' Space Cooperation**

HK2409063894 Beijing CHINA DAILY in English  
20 Sep 94 p 1

[By He Jun: "Conference Calls For Regional Space Co-op"]

[Text] More than 500 Asian-Pacific officials and experts yesterday began devising ways to balance the region's development with environmental protection from a long-term perspective.

The experts, gathering in Beijing this week, are focusing on space technology and its applications for development. Their talks this week are a prelude to a ministerial conference to be held on Friday.

The ministerial meeting is expected to produce a space technology applications programme and promote applications of the new technology for the region's developing countries.

Sponsored by the United Nations, it is the highest-level conference on space development and co-operation ever held in the region.

"It sets an historic landmark for the Asian-Pacific nations on the way to sustainable development," said Song Jian, Minister of the State Science and Technology Commission.

He noted that developing space technology provides greater potential for monitoring the environment and for sustainable development.

It is playing an invaluable role in environmental research, disaster forecasts and monitoring, and resource surveys, planning and management, Song said.

Space activities need global co-ordination and co-operation. Neither developed nor developing countries can face the challenge of the space era alone, he noted.

He called for bilateral and multilateral, regional and global co-operation and pooled efforts from all sides, to achieve the most efficient use of the technology.

Space applications co-operation in the region should be based on the principles of mutual respect, equality, mutual benefit, openness and joint development, Song said.

And space missions should be peaceful and promote new applications in the region, he added.

#### Li Ruihuan Urges World Efforts in Environmental Protection

OW2309210594 Beijing XINHUA Domestic Service in Chinese 1446 GMT 22 Sep 94

[By reporter Zhang Rongdian (1728 2837 0368)]

[Text] Beijing, 22 Sep (XINHUA)—While meeting with foreign and some Chinese delegates attending the third session of the China Council for International Cooperation on Environment and Development (CCICED) in Beijing this afternoon, Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference, said China is willing to work together with other countries and make contributions to global environmental protection.

During the meeting, Mrs Huguette Labelle, vice-chairwoman of the CCICED and president of the Canadian International Development Agency, spoke highly of China's efforts in environmental protection and the great role it has played in global environmental protection. She said: The environment and development complement each other. China's efforts in environmental protection will be beneficial not only to China's own development, but also to world development. Labelle

said that delegates have put forward many suggestions at the session, and the most important one is to enhance the people's sense of environmental protection through publicity and education.

Other foreign delegates also voiced their views on China's environmental protection problems at the meeting.

Li Ruihuan expressed his gratitude to friends who contributed their ideas to China's environment and development. He said: In recent years, China made great progress and accumulated rich experiences in environmental protection. Of course, we encountered many problems and difficulties in environmental protection in the course of rapid development. In view of these problems and difficulties, we must spread knowledge of environmental protection and educate the people. We must teach the masses of cadres and people to attach great importance to environmental protection and enhance their awareness of cherishing the earth, the only place where people can survive. We must take economic measures to punish those who pollute the environment. We must strengthen administrative management and use judicial and administrative measures to severely and resolutely halt pollution in our environment. We must apply advanced science and technology and bring in foreign countries' successful experiences to solve difficult problems we encountered in environmental protection.

Li Ruihuan said: Environmental protection is a common issue faced by the entire human race. It is also an international issue. We must solve environmental protection problems through international cooperation. For the common interests of the whole of mankind, the developed countries should actively spread their advanced technology and experience in environmental protection, and the developing countries should strengthen their efforts in this regard to avoid the mistake of causing pollution first and controlling it later. He pointed out emphatically: The Chinese Government pays close attention to other countries' advanced experience in environmental protection and is willing to carry out international cooperation in this field. It attaches great importance to the consultative role of the CCICED, and will conscientiously consider opinions and suggestions from Chinese and foreign experts.

Song Jian, state councillor and chairman of the CCICED; Qu Geping, chairman of the Environmental and Resource Protection Committee of the National People's Congress; and Xie Zhenhua, director of the State Environmental Protection Bureau, attended the meeting.

The CCICED, which was set up in 1992, is an advisory body on China's environment protection consisting of Chinese and foreign experts. This session opened on 20 September and closed this afternoon.

**President Jiang Zemin Receives Ambassadorial Credentials**

*OW2409042294 Beijing XINHUA in English 0313  
GMT 24 Sep 94*

[Text] Beijing, September 24 (XINHUA)—Chinese President Jiang Zemin received here this morning credentials presented by five new ambassadors to China.

The new ambassadors include: Ghana Ambassador to China Kojo Amoo-Gottfried, British Ambassador to China Leonard Appleyard, Marshall Islands Ambassador to China Carl L. Heine, Mongolian Ambassador to China Tsahilgaan and Jamaican Ambassador to China Earl Alexander Carr. [names as received]

**China Supports World Summit for Social Development**

*OW2409134794 Beijing XINHUA in English 1304  
GMT 24 Sep 94*

[Text] Beijing, September 24 (XINHUA)—The Chinese Government opened its first national social development exhibition here today, making a signal of support of the up-coming world summit for social development.

"The exhibition is a mirror image of China's prosperity and development," said Vice-Premier Zou Jiahua at the opening of the five-day event, which will display amounts of figures and facts about China's social progress achieved during the past 45 years.

The 47th UN conference passed a resolution that a world summit is to be hosted in March 1995 in Copenhagen, at which, unemployment, poverty and other social problems will be discussed. China has set up a special committee for making preparations.

The exhibition has been launched as one of series of activities to be carried out for the summit, including the enacting of China's first social development outline, a national conference on social development, an international seminar, and publicity among the masses of people, etc.

UN Secretary General Butrus Butrus-Ghali sent a message to congratulate the exhibition, wishing the event will make people pay more attention to the summit, which will be a milestone in U.N.'s history.

Vice-Premier Zou also maintained that China will accelerate its social development by carrying on the nation's fine tradition and learning from the outside world.

Premier Li Peng has written inscriptions for the exhibition, which read, "To Realize the Co-Ordination Between Economic and Social Developments". Vice-President Rong Yiren cut the ribbon for today's opening.

The exhibition is expected to tell visitors how the Chinese Government met some 1.2 billion people's needs in food and clothing in the past 45 years.

Other achievements on display at the occasion include the curbing of environmental deterioration; increased school enrollment; improved medical care; flourishing culture and media; protection of rights and interests of the disabled, women, children and the old; low unemployment rate; sound public security, and unity among different ethnic people.

**State Council: Overseas Journalists May Cover National Day**

*OW2309175394 Beijing XINHUA in English 1511  
GMT 23 Sep 94*

[Text] Beijing, September 23 (XINHUA)—Foreign journalists as well as those from Hong Kong, Macao and Taiwan are welcome to cover the forthcoming National Day celebrations, the Information Office of the State Council said today.

Zhao Shaohua, an official from the office said that application will last until September 27.

The coming October 1 is the 45th anniversary of the founding of the People's Republic of China.

Zhao said that the foreign journalists outside China may apply to the Chinese embassies or consulates abroad, the Hong Kong and Macao branches of the XINHUA NEWS AGENCY, which will turn the applications respectively to the Information Department of the Foreign Ministry, the Hong Kong and Macao Affairs Office of the State Council or the Taiwan Affairs Office of the State Council for examination and approval.

The Beijing-based foreign journalists and those from Hong Kong and Macao shall get their permits respectively from the Information Department of the Foreign Ministry and the Hong Kong and Macao Affairs Office of the State Council.

Zhao also said that those who want to interview Chinese leaders and high-ranking officials from government departments or localities should file applications to the information office of the preparatory committee of the 45th anniversary celebrations.

**Number of Overseas-Funded Enterprises Reaches 188,000**

*OW2309180094 Beijing XINHUA in English 1447  
GMT 23 Sep 94*

[Text] Beijing, September 23 (XINHUA)—The number of overseas-funded enterprises in China had amounted to 188,600, by the end of June this year, 12.6 percent up over that at the end of last year, according to the latest statistics provided by Chinese State Administration for Industry and Commerce.

According to officials from the administration, during the first half of this year, the wholly overseas-funded

enterprises in China enjoyed a quick development, with the number of newly-registered enterprises exceeding 6,400.

Statistics show that during the first half of this year, of the total newly-registered overseas-funded enterprises, the number of industrial enterprises reached 15,512, accounting for 69.45 percent of the total, three percentage points higher than that in the same period of last year, while the number of newly-registered overseas-funded real estate enterprises, including public services and consulting services, accounted for 12.34 percent in the total, 4 percentage points lower than the same period of last year.

During the first half of this year, overseas companies from 112 countries and regions made investments in China, in which Hong Kong and Taiwan were still listed as the first and the second in terms of the number of enterprises they invested in, said the officials.

The overseas companies are still focusing their investment on coastal areas and other relatively developed areas, while in those inner provinces and autonomous regions like Guizhou, Qinghai, Tibet and Xinjiang, the number of the newly-registered overseas-funded enterprises is less than 100 respectively, the officials also revealed.

### United States & Canada

#### Official Says Sino-U.S. GATT Talks To Be 'Tough'

*OW2509152294 Beijing XINHUA in English 1502 GMT 25 Sep 94*

[Text] Geneva, September 25 (XINHUA)—Sino-U.S. talks on China's reentry into the General Agreement on Tariffs and Trade (GATT) in the coming months will be very tough as some major problems still remain to be solved, a Chinese official said here today.

Long Yongtu, head of the Chinese delegation to the 10th round of Sino-U.S. talks on China's reentry into the GATT, told reporters that the progress made by the two sides in their talks which ended on September 23 was a result of tough negotiations.

The Chinese Government understands the U.S. position that China's reentry into GATT should be realized on a sound commercial basis, Long said.

He said the United States should realize that it will benefit enormously from the package proposal on market access presented recently by China.

He warned, however, that the U.S. side should also know that as the Chinese leadership has reiterated on many occasions, China can not seek the reentry at all costs and therefore should not be asked for too much on the issue.

He added that it will be wrong for the U.S. side to believe that the longer the negotiations prolong the more commercial benefits the United States will get.

He expressed the hope that the U.S. side will cast away such an illusion as soon as possible and adopt a realistic attitude toward the talks on China's GATT reentry.

Long, who is also the minister-assistant of the Chinese Foreign Economic and Trade Ministry, pledged that China will work for the strengthening of the world multilateral trade system and contribute to the establishment of a more open international trade system.

He said that China will continue to cooperate with the United States and other GATT contracting parties and work hard for an early conclusion of the negotiations on China's reentry.

#### Urges 'Realistic Attitude'

*OW2509131394 Beijing XINHUA Domestic Service in Chinese 1132 GMT 25 Sep 94*

[By reporter Zhou Shaoping (0719 1421 1627) ]

[Text] Geneva, 25 Sep (XINHUA)—The 10th round of the Sino-U.S. bilateral consultations on the issue of China's reentry into GATT ended in Geneva on 23 September. Today, XINHUA reporter Zhou Shaoping interviewed Long Yongtu, head of the Chinese delegation and assistant minister of foreign trade and economic cooperation, on the outcome of the talks.

Long Yongtu said: The Chinese side has taken note of reports from foreign news agencies on a comment by Dwoskin, head of the U.S. delegation, on progress made in the talks. Progress in Sino-U.S. talks on the issue of China's reentry into GATT is a result of the difficult talks conducted by the two sides. However, because we have yet to solve some major issues, a very arduous task still awaits Sino-U.S. talks in the next few months.

He said: The Chinese side understands the U.S. side's argument about the need to build China's reentry into GATT on the basis of "good commercial benefits," and appreciates this kind of frankness. However, the Chinese side hopes the U.S. side will attach importance to the principle stand, repeatedly reiterated by Chinese leaders recently, of China being unable to spare everything to reenter GATT, and should stop before making too many demands on China for its GATT reentry. The U.S. side should realize that the package plan on market access proposed by China recently will bring tremendous commercial benefits to the United States, but it should not erroneously believe that it will gain more commercial benefits the longer the talks on China's GATT reentry drag on. Long Yongtu hoped that the U.S. side will discard such fantasy as soon as possible, proceed from long-term interests, and adopt a realistic attitude toward talks on China's GATT reentry, particularly those on market access.

Long Yongtu said emphatically: China has devoted itself to strengthening the world's multilateral trade structure, and will contribute to the establishment of a more open international trade structure. China is willing to continue cooperating with various signatories, including the United States, and make unremitting efforts to complete talks on its GATT reentry as soon as possible and to make itself a founding member of the World Trade Organization.

#### Defense Minister Meets U.S. Air Force Guests

OW2409081894 Beijing XINHUA in English 0741  
GMT 24 Sep 94

[Text] Beijing, September 24 (XINHUA)—Chinese Minister of National Defense General Chi Haotian met here this morning with visiting General Merrill A. McPeak, chief of staff of the Air Force of the United States, and his party.

Chi said that China attaches much importance to Sino-U.S. relations, noting that both China and the United States are influential big countries in the world.

He continued that the maintenance of fine relations between the two countries is in the interest of the two peoples and is of significance for world peace and stability.

He said he hoped that bilateral friendly relations of cooperation in the political, economic and military fields will be furthered.

Chi noted that there exist differences between the two countries but their common interest outweighs the differences, hoping that problems in the relations between the armed forces of the two countries can be properly solved.

McPeak said that his current visit to China is to reshape and promote relations between the Air Forces of the two countries, hoping to see long-term friendly cooperation between the Armed Forces of the two countries.

General Xu Huizi, deputy chief of General Staff of the Chinese People's Liberation Army, hosted a banquet here at noon today for the U.S. guests.

The 13-member U.S. delegation arrived here September 22 at the invitation of Cao Shuangming, commander of China's Air Force.

#### Views Sino-U.S. Military Ties

OW2409120794 Beijing XINHUA Domestic Service in Chinese 0714 GMT 24 Sep 94

[Text] Beijing, 24 Sep (XINHUA)—General Chi Haotian, minister of national defense, met with visiting General Merrill A. McPeak, chief of staff of the U.S. Air Force, and his party here this morning.

Chi Haotian said: China attaches great importance to Sino-U.S. relations. China and the United States are

influential big countries in the world. It is in the interest of the two peoples and of significance for world peace and stability to maintain good relations between the two countries. He hoped that China and the United States would continue to develop friendly cooperative relations in political, economic, and military fields.

He added that there exist differences between the two countries but their common interests outweigh the differences. He hoped that problems in the relations between the Armed Forces of the two countries could be solved in a fair and reasonable way.

McPeak said that his current visit to China is to resume and promote relations between the Air Forces of the two countries, hoping to see long-term friendly cooperation between the two's Armed Forces.

General Xu Huizi, deputy chief of the General Staff of the Chinese People's Liberation Army, hosted a banquet at noon today for the U.S. guests.

#### Zhang Wannian Meets Guests

OW2309181494 Beijing XINHUA in English 1422  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—General Zhang Wannian, chief of General Staff of the Chinese People's Liberation Army (PLA), met here today with visiting General Merrill A. McPeak, chief of staff of the Air Force of the United States, and his party, and they exchanged opinions on issues of common concern.

This is the first U.S. Air Force senior officer to visit China since 1989.

The 13-member U.S. delegation arrived here yesterday at the invitation of Cao Shuangming, commander of China's air force.

#### Song Jian Meets With U.S. Space Industry Delegation

OW2309175694 Beijing XINHUA in English 1541  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—Chinese State Councillor Song Jian met here today with a U.S. Space industry delegation, headed by Don Phillips, assistant trade representative for industry of the United States.

Song said that since the two countries signed the memorandum of agreement regarding international trade in commercial launch services in early 1989, the cooperation in the space industry field has been enhanced, which is beneficial to both peoples.

Phillips said that the memorandum has played an important role in furthering the bilateral cooperation in space industry, and the development of Sino-U.S. ties as a whole.

Phillips and his party made the trip here to have discussions with relevant departments of China on the re-signing of the memorandum.

He said that the first round of talks in Beijing was fruitful, and had laid a basis for the re-signing of the memorandum.

### **Li Lanqing Meets U.S. Business Executive**

*OW2409120594 Beijing XINHUA in English 1109  
GMT 24 Sep 94*

[Text] Beijing, September 24 (XINHUA)—Chinese Vice-Premier Li Lanqing met here today with Alex Trotman, chairman of the Ford Motor Company of the United States.

Trotman and his party arrived here at the invitation of the Chinese Ministry of Machinery Industry.

### **Central Eurasia**

#### **'Roundup' on Yeltsin's 26-29 Sep U.S. Visit**

*OW2609045594 Beijing XINHUA Domestic Service in Chinese 0054 GMT 26 Sep 94*

[“Roundup” by XINHUA Reporter Huang Huizhu (7806 1979 3796): “A visit That Seeks To Establish Pragmatic Russian-U.S. Relations”]

[Text] Moscow, 25 Sep (XINHUA)—Russian President Yeltsin will make a state visit to the United States from 26 to 29 September. During the visit, talks between the two nations' leaders will focus mainly on issues of bilateral relations and international security. Yeltsin announced that the purpose of his visit is to “bring the economic and political partnership between the two nations onto a pragmatic basis.”

Following the breakup of the Soviet Union, Russia has made the development of relations with the United States the top priority of its foreign policy; it has spared no efforts in forging a “strategic partnership” with the latter and pursued a policy of siding with the United States and its Western allies. Facts have, however, demonstrated that this policy has not brought about domestic political stability for Russia or helped it shake off its economic crisis, nor has it enhanced Russia's influence and role in international affairs. Therefore, after a “romantic honeymoon” with the West, Russia has begun, since late last year, its foreign policy of making the restoration of Russia as a power and the safeguarding of its national interests the starting points of its foreign policy and seeking to establish a “pragmatic” partnership with the United States. In January of this year, the leaders of Russia and the United States signed the “Moscow Declaration,” announcing that the two countries have “entered a new phase of mature, strategic partnership.” Since then, Russia and the United States have made appropriate efforts in developing bilateral relations and the leaders of the two nations, through

use of correspondence and the telephone, have kept in touch on a regular basis to discuss and coordinate their positions on major issues. The Russian prime minister's visit to the United States in June advanced, to some extent, economic cooperation and trade between the two nations. Russia's formal signing of the “Partnership for Peace Plan” initiated by the United States and Yeltsin's participation in the formal political discussions at the summit of Group of Seven Western nations in July also reflected these new developments in Russian-U.S. relations.

A “mature partnership” between Russia and the United States—just as Russian Foreign Affairs Minister Kozyrev pointed out—has yet to take shape. Due to inconsistencies “in the national interests of Russia and the United States,” differences in a series of issues between the two sides have become obstacles to the development of bilateral relations. Before his departure for the UK on 24 September, Yeltsin frankly admitted that the “Russian-U.S. partnership at times is more like a discussion. For Russia, it does not have a very pragmatic character.”

According to the analysis of observers here, the differences and conflicts of interest between Russia and the United States manifest mainly in the following three areas: First, there is a rather fierce discord over restrictions on trade and economic relations. Washington has practiced trade discrimination against Moscow for a long time. For this reason, demands that the United States lift its restrictions so that Russia can take part in competition on the world market on an equal footing have been at the top of the agenda of almost every meeting between Russian and Western leaders. To this day, however, the United States has yet to repeal the Jackson-Vanik Amendment—which was adopted in the 1970s—and other regulations that restrict trade with Russia. Russia has pointed out repeatedly that applying that discriminatory law against Russia goes against the spirit of partnership and hampers the development of equal and mutually beneficial economic cooperation and trade. Second, restrictions the United States places on Russia's “special role” in the former Soviet Union. Russia and the newly independent countries in the former Soviet Union are as closely related as lips and teeth; therefore, it seeks to pursue “special interests” and take up “special responsibility” in that region. Russia is seeking to restore, within the framework of the CIS, the relations that existed between the republics of the former Soviet Union and to re-establish economic and military integration. The United States, however, is doing all it can to curb Russia's role in that region. Third, Russia and the United States have indicated their differences on a range of major international issues including conflicts in Bosnia-Herzegovina, the Middle East, and the recent tensions in Haiti. Their views on international security, the integration of Europe, NATO's role, and other issues are also quite different.

The numerous problems in Russian-U.S. relations will make President Yeltsin's visit to the United States no

easy task. Opinions here believe that, given the fact that both nations are exploring specific ways to develop bilateral relations, the visit will certainly help advance the development of bilateral relations. In view of the different interests between the two countries in many areas, it will be very difficult for Yeltsin to achieve, by the end of the visit, his goal of settling all the disagreements between the two nations.

### Northeast Asia

#### Commentary Condemns Japanese Moves on Taiwan

OW2509035594 Beijing XINHUA in English 0326  
GMT 25 Sep 94

[“PEOPLE’S DAILY Commentary: Where Is the Japanese Government Going?”—XINHUA Headline]

[Text] Beijing, September 25 (XINHUA)—Today’s PEOPLE’S DAILY [RENMIN RIBAO] carries a commentary entitled: “Where is Japanese Government going?” which reads:

The 12th Asian Games, which the Asian people have been expecting for long, is to begin in Japan soon. But what the Japanese Government has done recently may cause damage to the grand gathering and also put a shadow over Sino-Japanese relations.

The president of the Olympic Council of Asia had made a statement on the 12th of this month that the coming Asian games will not invite any political figure other than from the host nation. But after the Taiwan “president” Li Teng-hui failed to elbow into the games, the Japanese Government has surprisingly given entrance documents to Hsu Li-teh, deputy head of Taiwan’s “executive yuan”.

The Japanese Government gave two excuses for what it did: One is that Hsu’s status is chairman of the Taiwan Bidding Committee for the 2002 Asian Games, and the other is that the Japanese Government does not prepare to have any official contact with Hsu.

The excuses are totally groundless. Since either during the games or at the meeting of the Olympic Council of Asia, the issue of who will sponsor the 2002 Asian Games will not be discussed.

Moreover, under the charter of the Olympic Council of Asia, Taiwan, as a region of China, does not have the qualifications for bidding, either politically or technically, for holding the Asian Games.

And the excuse of the Japanese Government not to have official contact with Hsu is pure self-cheating. To invite Taiwan’s “vice president of the executive yuan” to Hiroshima as a guest, isn’t itself a contact?

Furthermore, it is totally unreasonable for Japan as the host of the Asian Games not to abide by the decision

made by the Olympic Council of Asia as the chairman of the council has clearly stated that Hsu will not be invited.

The Taiwan authorities are using the Asian Games to create “two Chinas” or “one China, one Taiwan”, and what the Japanese Government did just coincides with it. Here, people will ask: To where [does] the Japanese Government wish to lead Sino-Japanese relations?

What should be pointed out is that what the Japanese Government did over the Hiroshima Asian Games is not isolated or accidental action.

In recent years, the Japanese Government has played many tricks concerning the Taiwan issue. Two years ago, it planned a “passing-by” by Li Teng-hui to realize Li’s Japan visit.

In February this year, it played the trick of “vacation invitation”. Taiwan’s representative bodies in Japan are constantly upgraded and Japanese officials visiting Taiwan are becoming more and more senior.

What the Japanese Government did over the Asian Games shows that it is going further and further on the Taiwan issue. Japan is seeking a big power status internationally, and if it does so in such a way, it will not achieve its aim.

The history has shown that if Sino-Japanese relations are to be promoted smoothly, the joint declaration by the governments of the two countries signed in 1972 and the Peace and Friendship Treaty of the People’s Republic of China and Japan in 1978 should be adhered to, and Japan should recognize the government of the People’s Republic of China as the sole legal government of China and Taiwan as an inseparable part of China.

If the Japanese Government goes according to its own will against historical responsibility with regard to the Taiwan issue, it will pioneer a vicious road and seriously harm the feelings of the Chinese people and bring serious consequences in Sino-Japanese relations.

The Japanese Government should value the overall cause of Sino-Japanese friendship, follow the two documents that are the guide of Sino-Japanese relations, and restrain from doing things against the will of the people and against historical development, so that this may not develop into a major mistake.

People are now waiting to see what the Japanese Government will do on the Taiwan question.

#### DPRK Party, Government Delegation To Visit 27 Sep-4 Oct

OW2609075694 Beijing XINHUA in English 0651  
GMT 26 Sep 94

[Text] Beijing, September 26 (XINHUA)—At the invitation of the Chinese Government, a party and government delegation of the Democratic People’s Republic of

Korea (DPRK), led by its Vice-President Yi Chong-ok, will pay a goodwill visit to China from September 27 to October 4.

Chinese Foreign Ministry spokesman Chen Jian made the announcement here today.

### Southeast Asia & Pacific

#### Hanoi Radio Reports Phan Van Khai-Zhu Rongji Meeting

*BK2309130794 Hanoi Voice of Vietnam in English 1000 GMT 23 Sep 94*

[Text] Talks were held in Beijing on Thursday between Chinese Vice Prime Minister Zhu Rongji and his visiting Vietnamese counterpart, Phan Van Khai. The two leaders expressed delight at the continued development of friendly relations and cooperation between the two countries.

The Chinese leader said that China and Vietnam are now focusing on economic development and improving people's living conditions. They both needed an international atmosphere of peace and hoped that their good neighborliness would be consolidated to the interest of peace and stability.

The Vietnamese leader, Phan Van Khai, said Vietnam considers stabilized relations and cooperation with China a long-term policy of the Vietnamese Government. He said the Vietnamese Government wants to develop trade relations with China in the spirit of mutual respect, equality, and mutual benefit.

#### Li Peng Meets With SRV Deputy Prime Minister

*OW2309155794 Beijing XINHUA in English 1445 GMT 23 Sep 94*

[Text] Beijing, September 23 (XINHUA)—Chinese Premier Li Peng exchanged views here today with Vietnamese Deputy Prime Minister Phan Van Khai on developing bilateral relations, economic and trade ties in particular.

After briefing the guests on China's economic reform, the opening up to the outside world and the establishment of a socialist market economy, Li said that China has always been trying to handle well the relations between reform, development and stability. Internationally, he added, China needs a peaceful environment.

"Therefore China attaches particular importance to developing relations with bordering countries including Vietnam," Li said.

China and Vietnam which have many things in common, Li said, should develop their relation on the basis of equality and mutual benefit and in line with international norms.

He added that so long as the two countries want to maintain and develop the good-neighborly relations and safeguard regional peace and stability, they can solve the problems still existing between them through negotiations.

Li Peng wished the Vietnamese people greater success in their endeavor to boost the economy through reform and opening up. Referring to bilateral economic and trade cooperation, he stressed the development of different forms such as loans, joint ventures and labor services.

Phan Van Khai said China's achievements in carrying out reform and opening policies is of significance not only to China but also to the rest of the world.

As Vietnam and China are carrying out the policies of economic reform and opening, developing their economies and building socialism, Phan said, they have many in common and the conditions to develop their relations.

The Vietnamese Government treasures its relations with China and takes the development of long-term and stable relations with China as one of its fundamental policies, Phan said.

#### More on Li Peng Meeting

*OW2409030994 Beijing XINHUA Domestic Service in Chinese 1421 GMT 23 Sep 94*

[By reporter Yang Guojun (2799 0948 6874)]

[Text] Beijing, 23 Sep (XINHUA)—At a meeting with Vietnamese Deputy Prime Minister Phan Van Khai in the Great Hall of the People today, Li Peng, premier of the State Council, exchanged views on bilateral relations and how to further develop bilateral economic and trade cooperation.

Li Peng first briefed the Vietnamese guest on China's policy of carrying out reform and opening up in line with Deng Xiaoping's theory of building socialism with Chinese characteristics, China's experiences in continuously exploring and advancing in the course of reform and opening up, and how China decided to establish a socialist market economy.

Li Peng emphasized: While carrying out reform, opening up, and making every effort to develop the economy, China has always attached importance to a good handling of the relations between reform, development, and stability. Externally, China needs a peaceful international environment. China, therefore, attaches particular importance to developing good-neighborly relations with bordering countries, including Vietnam.

As to the development of bilateral economic and trade relations, Li Peng stressed we should develop economic and trade cooperation by various means, such as normal business exchanges, various ways to offer loans, joint ventures and cooperation among enterprises, and the export of labor services. Li Peng said that in developing

bilateral economic and trade cooperation, the Chinese Government will continue efforts to encourage and promote development.

Li Peng was delighted about progress made by Vietnam in its reform and opening up and wished Vietnam even greater success in invigorating its economy.

Li Peng said China and Vietnam have many things in common. Their bilateral relations should be developed on the basis of equality and mutual benefit and in line with international norms. He added: That the two countries maintain and develop good-neighborly relations is an issue that concerns the overall situation. So long as the two countries consider the entire situation and the goal of safeguarding regional peace and stability and cooperate sincerely, they can resolve through negotiation some of the issues that still exist between them.

During the talks, Phan Van Khai first conveyed greetings from Do Muoi, general secretary of the Vietnamese Communist Party Central Committee, President Le Duc Anh, and Prime Minister Vo Van Kiet to Jiang Zemin, president and general secretary of the CPC Central Committee, and Premier Li Peng. Premier Li Peng, on behalf of President Jiang Zemin, also asked Phan Van Khai to convey their greetings to Do Muoi, Le Duc Anh, and Vo Van Kiet.

Phan Van Khai said China's great achievements in reform, opening up, and economic construction are of important significance not only to China, but to the world. He pointed out: As Vietnam and China are carrying out reform and opening up, developing their economies, and building socialism, the two countries have many things in common and favorable conditions to develop bilateral relations. He emphasized the Vietnamese Government very much treasures its relations with China and takes the development of long-term and stable friendly relations with China as its fundamental national policy.

### Near East & South Asia

**'Satisfaction' on Work of Joint Groups With India**  
*BK2309093294 Delhi All India Radio Network in English 0830 GMT 23 Sep 94*

[Text] India and China have expressed satisfaction over the working of the Joint Working Group and the Experts Group on the boundary issue. During their talks in Beijing, the minister of state in the Prime Minister's Office, Mr. Bhuvanesh Chaturvedi, and the Chinese state counselor, Mr. Luo Gan, noted that there is a great potential for Sino-Indian cooperation in the field of science. They noted that the two countries can complement each other with their experience. The two leaders

appreciated that 26 Sino-Indian joint ventures have been floated and also discussed ways to cooperate in international fora.

Mr. Chaturvedi is in Beijing to attend the Economic and Social Council for Asia and the Pacific, ESCAP, ministerial conference on space application.

### **Qian Qichen Sends Condolences to Iranian Minister**

*OW2209135694 Beijing XINHUA in English 1335 GMT 22 Sep 94*

[Text] Beijing, September 22 (XINHUA)—Chinese Vice-Premier and Foreign Minister Qian Qichen sent a message to Iranian Foreign Foreign Minister 'Ali Akbar Velayati Wednesday [21 September], in which he expressed his deep regret for and grief over the deaths of an Iranian diplomat and his son in Tuesday's shootout in Beijing.

Qian also offered his heartfelt condolences and sincere sympathy to the bereaved family.

On September 20 an armed man opened fire indiscriminately in the street, causing the tragic death of the diplomat of the Iranian Embassy to China Yousef Mohammadi Pishknari [name as received] and son, and the wounding of two other children of his.

This afternoon Yang Hexiong, director of the protocol department of the Chinese Foreign Ministry, Yao Kuangyi, deputy director of the West Asian and North African Affairs Department of the Chinese Foreign Ministry, and Hua Liming, Chinese Ambassador to Iran, went to the Iranian Embassy in Beijing to express their deep condolences and sincere sympathy to the bereaved family.

**Beijing Exports K-8 Training Aircraft to Pakistan**  
*OW2209221394 Beijing Central Television Program One Network in Mandarin 1100 GMT 21 Sep 94*

[Announcer-read report over video: "China Exports First Batch of K-8 Training Aircraft to Pakistan"—from the "National News Hookup"]

[Text] The first batch of six K-8 aircraft, developed and manufactured jointly by China and Pakistan, is to be exported to Pakistan. A ceremony was held at the Nanchang Aircraft Manufacturing Corporation today to hand over the aircraft to Pakistan.

The K-8 is a new generation of jet training aircraft for training pilots in the 1990's. It can be used for conventional training and special training. A pilot can complete flying training on a K-8 only after scores of hours of initial flying.

**Political & Social****Article on Upcoming Plenum, Army Appointments**

*HK2409082894 Hong Kong CHING PAO in Chinese  
No 206, 5 Sep 94 pp 22-25*

[Article by Chang Mu (1728 3092): "Fourth CPC Plenary Session To Reassert Political Reform; Personnel Changes at Central Military Commission Expected"]

[Text] In the summer days of Beijing this year, the weather is extremely hot. Important CPC politicians went to Beidaihe one after another to study and set topics for discussion and decisionmaking at the Fourth Plenary Session of the 14th CPC Central Committee, which will be held soon, while spending their summer holidays there. From the end of July to the middle of August, important politicians at the higher echelons of the CPC leadership had made no public appearances in the Beijing political arena on the whole. Even when executive meetings of the State Council presided over by Premier Li Peng were announced, no mention of the location of the meeting, Beijing or Beidaihe, was ever made. From this way of doing things, people feel that the higher echelons of the CPC leadership are intensely discussing in Beidaihe the various policy decisions to be made at the Fourth Plenary Session, undoubtedly including arrangements for the activities to solemnly celebrate the 45th anniversary of the founding of the PRC and to congratulate Deng Xiaoping's 90th birthday (22 August 1994). The most important topic is to plan the orientation and key contents of next year's political reform.

**Stability at Higher Echelons of Leadership Attributed To Not Conducting Debates**

Nevertheless, overseas opinion makers are puzzled about the sustained stability of the CPC core leadership over the last five years. Particularly, after having undergone two reshuffles of the top leadership, China witnessed years of more rapid and profound changes and more views and suggestions, which were aired one after another. In all fairness, it took a process of 15 years for the reform line initiated by Deng Xiaoping to develop into a theory from its initial stage of groping for stepping stones to cross the river. At the earlier stage of reform, Mao Zedong's theory on class struggle and planned economic structure still played a considerably great binding role. With the passage of time, things are different. Now the criteria to judge right and wrong and the mistakes committed by important CPC politicians have also become quite different. The lessons of the successive downfalls of former CPC general secretaries Hu Yaobang and Zhao Zhiyang have become a warning to the new leading body. Although different views on administration have emerged and will continue to emerge, cool inner treatment of these views has helped alleviate the main problems causing social unrest. This is where the reason for the success of the great invention of stabilizing the political situation by not conducting

debates, mentioned in Deng Xiaoping's talks during his tour of South China, lies. Deng's southern-tour talks have also helped clarify many difficult issues of right and wrong, thus enabling the national economy and social life to make considerable progress. It can thus be said that the CPC has become aware of the benefits of maintaining a stable leading body. In handling top personnel changes in the days to come, the CPC will become more careful and cautious.

**Political Reform is Reasserted, Four Things Should be Separated**

As the economic structural reform conducted by the CPC is entering a deeper-level stage, it feels more disturbed by the lagging behind of political structural reform. That the organs of political power in departments and regions at different levels check with one another, duties incumbent on the party, the government, and enterprises are not clearly defined, and the lack of a powerful checking mechanism and supervision over organs of political power at all levels has resulted in the unchecked spread of unhealthy practices such as corruption, localism, stronghold mentality, the formation of factions, and the practice of securing personal advantages through influence. Consequently, many reform propositions as well as laws and regulations fail to be effectively implemented. Under the influence of money worship, not only enterprises, companies, and cultural and educational institutions, but also many government departments try every possible means (appropriating public money, using public money for personal gain, and using power for personal gain) to engage in money-making businesses and seek economic interests. Holders of power and leaders who have power to write approval documents are most influential and have the most widespread networks. By comparison, laws and regulations just exist in name only.

At a meeting of Standing Committee members of the CPC Political Bureau, which was held on 28 June 1986, Deng Xiaoping emphatically pointed out: "The ultimate success of all reforms hinges on political structural reform. If we carry out economic structural reform in the absence of political structural reform, the former will go nowhere." At that time, General Secretary Hu Yaobang, Premier Zhao Ziyang, State President Li Xiannian, and Chen Yun, chairman of the Central Discipline Inspection Commission and concurrently head of the Central Financial and Economic Leading Group, are all Standing Committee members. After the meeting, the Organization Department of the CPC Central Committee and the Ministry of Labor and Personnel were immediately ordered to form special groups to draw up "assumptions of a general plan for cadre system reform," which had 10 clauses. On 13 September of the same year, after hearing a report submitted by the Central Financial and Economic Leading Group, Deng once again urged political reform. After the Sixth Plenary Session of the 12th CPC Central Committee, a central study group for political structural

reform, directed by Zhao Ziyang, was set up, under which there was a general office and seven special-topic sub-groups.

Although the emergence at the end of the same year of student strikes, which spread to more than 10 provinces, municipalities, and autonomous region, caused Hu Yaobang's downfall, most of the achievements of the study group were written into the "Political Report" delivered by Zhao Ziyang at the 13th CPC National Congress. At that time, the market economy had not yet been accepted, and, moreover, there were still numerous obstacles to propositions of political and economic structural reform.

After the 4 June event in 1989, Zhao Ziyang stepped down and the CPC concentrated its efforts on improvement and rectification. Although Deng Xiaoping said that not a single word should be changed in the report to the 13th CPC National Congress, there were relatively big changes in the contents and proposals for political reform.

The 14th CPC National Congress set forth the general conception of establishing a socialist market economic structure, thus enabling economic reform to reach an unprecedented extent in terms of scale and depth. As a result, numerous inconsistencies have emerged in the management pattern of the existing political structure, and the principles concerning political reform advanced by Deng Xiaoping earlier, such as "separating the functions of the party and those of the government," have been reaffirmed. Recently, the higher echelons of the CPC leadership set a requirement for "separating four things" on political reform. 1) The functions of government should be separated from those of enterprise; 2) the functions of the party should be separated from those of the government; 3) the government's function to manage society should be separated from that of managing state-owned assets; and 4) "two powers should be separated," namely, property rights (ownership) of the representative of the board of directors should be separated from the general manager's power to manage the property.

Undoubtedly, to implement these principles, it is necessary to solve problems in the management structure of the party and the government, divide functions between them, and laws and regulations. It is believed that the Fourth Plenary Session of the 14th CPC Central Committee will discuss and take specific measures on issues related to political reform.

#### Supervisory System Should be Made More Democratic and Centralized

Hu Jintao, member of the Political Bureau Standing Committee in charge of party affairs and the personnel system, has pointed out that unity within the party is the party's life. Most members of the leading body are united. However, there is indeed discord and disunity to a certain extent among some of them. This is not because there are differences of opinion among them in terms of

line, but because some important issues and personnel appointments and removals were not handled in accordance with democratic centralism and, moreover, side issues or minor issues of right and wrong were debated endlessly. To solve these problems, it is undoubtedly necessary to raise the quality of leading cadres. What is of fundamental importance is to strictly enforce democratic centralism and improve one's ability to make policy decisions. We should place great stress on avoiding and overcoming the phenomenon of an individual or a small number of people deciding important issues within the leading body, improve the political life of the leading body, and enhance its ability to solve its own problems. The effective supervisory mechanism should be improved and one's ability to guard against power abuses should be enhanced. The whole leading body should create conditions for subjecting itself to supervision, and should set up a more transparent working system to make policy decisions on major issues, personnel arrangements, and the building of clean government. Relationships between the local and central authorities, between departments and central authorities, between different localities, and between different departments should be handled well.

#### In Setting Up a Modern Enterprise System, Attention Should be Paid to Four Things

Invigorating enterprise operations and setting up a modern enterprise system is key to implementing the new mechanism of the market economy and is also the focal point of political reform, which has been clearly set by the CPC to be carried out next year. The current reform situation is very fine, but many enterprises are still in a difficult position because there is still the problem of the labor pains of structural reform and the problem of the "three lagging behinds" in enterprises' internal reforms. To put it another way, enterprises lag behind in terms of internal reform and lack operational vitality, and they lag behind in terms of macromanagement system, thinking, and conceptions. Some enterprises, which are in a difficult position, place their hopes on "the relief which the state will provide some time in the future" rather than trying every possible means to find a way out for themselves. The difficulties of state-owned enterprises are mainly manifested in the following facts: The scale of investment in fixed assets is overextended and production circulating funds are used for purposes other than production because of shortages in official funds; output value is sought one-sidedly, and the irrational industrial structure and product mix have resulted in a drop in sales rates and product stockpiling; there is a shortage of officially owned circulating funds, which generally occupy just 10 percent of overall enterprise funds; as the recovery of payments for goods is limited, enterprises rely mainly on bank loans for their circulating funds; the practice of "triangle debts" among enterprises is rife, and there is a lack of a powerful mechanism of supervision and punishment in the settlement of accounts; and 10 percent of state-owned enterprises have suspended production or are operating at

half capacity, of which 4 percent are enterprises which have suspended production, mostly small and medium-sized enterprises.

**Zhu Rongji stressed that to overcome the problems in state-owned enterprises, we should further deepen enterprise reform, establish a modern enterprise system characterized by the separation of the functions of government and those of enterprises, and forge distinctive property rights, a clear definition of power and responsibility, and scientific management. These four factors form an integral whole and not one can be dispensed with.** If the functions of government are not separated from those of enterprise, no specific person will be responsible for state-owned enterprises. If a factory is not managed well and its workers are not satisfied with the state of its management, they should go to the director for solutions, because he is in charge of his factory. The functions of government should be separated from those of enterprises. In exercising leadership, the government should manage the macroeconomy and taxation and pay less attention to the management of enterprises and shun from asking for trouble itself. On the issue of distinctive property rights, we can run some joint-stock enterprises but we should not invigorate enterprises by relying exclusively on the formation of joint-stock enterprises. Large numbers of enterprises in foreign countries are not operated under the joint-stock system. Most enterprises in China are small and medium sized. They cannot be invigorated by just changing a nameplate, selecting a chairman of the board of directors, and setting up a board of directors. The joint-stock system should be implemented but it is difficult to solve all problems by just relying on this system. Technological transformation and management science are more important. It will not do for enterprises not to enhance their ability to operate themselves. Enterprises should operate themselves in the way the market economy operates and should pay close attention to management and products. Otherwise, they will be eliminated in the course of market competition. If price reform and macroeconomic transformation are completed smoothly this year, this will create conditions for the next step in deepening enterprise reform.

#### **Invigorating Enterprises Microeconomically, With Necessary New Supporting Measures**

It is believed that the key to the inefficiency of state-owned enterprises lies in indistinct property rights. Privatizing enterprises will help clearly define the ownership of property rights and enable the owners of enterprises to care about enterprise operations and thus improve operational efficiency. This argument has been quite in vogue for a time. Nevertheless, as the scale of socialized production expands, over the last 10 years in many Western developed countries, ownership and operational power have become separated more frequently. The stock rights of many modern big companies are extremely scattered. A single shareholder or several shareholders of a company do not have enough shares to control the company's administration. Moreover,

advanced and extremely professional production and management technology has made it difficult for most shareholders with general knowledge to interfere in management operations. Hence, there has emerged a private economic pattern characterized by the separation of operational power and ownership. Many Western economists have long had their own expositions on this pattern. An authoritative CPC expert maintains that state-owned enterprises belong to the whole people. This state of affairs is better than the situation of modern Western enterprises where most managers do not have any property rights at all [as published]. Just as Qiao Shi, chairman of the NPC Standing Committee, said: It is important that we should make great efforts to deepen reform and carry out technological transformation well. We should effectively invigorate the operational mechanism of enterprises, face the market, suit the needs of the market, and develop markets.

Undoubtedly, through convening a national economic work conference, the CPC will reaffirm the principle of diverse economic sectors coexisting and developing side by side, with the state-owned economy playing a dominant role. It will reappraise the stocks and assets of 100 enterprises, which are slated to conducting experiments in carrying out modern enterprise system reform, and will proceed to set up a national assets valuation center. In the absence of external conditions, like special economic zones which act before others, pilot enterprises will conduct experiments one after another in such areas as the market economy, leading group mechanisms, bankruptcy, and the social security system to create experience and conditions for the comprehensive transformation of the enterprise system in the days to come. In a word, the CPC will surely set forth a clear and definite plan and concrete requirements for next year's enterprise reform.

#### **Pace of National Defense Modernization is Being Speeded Up**

As China's reform and opening up as well as economic construction develop, considerable progress has been made in national defense modernization. High military science and technology and modern equipment have significantly changed the domination of the previous theory of "people's war." Not long ago, a high-ranking CPC general highly appraised large-scale displays of military skills staged when Chief of General Staff General Luo Ruiqing was secretary general of the Central Military Commission [CMC] in 1964 as the prelude to China's military modernization.

In 1985, Deng Xiaoping directed a 1 million man personnel cut, thus setting off an upsurge of reform in military modernization. The structure of the three armed forces has undergone great changes since then, the ground force has been changed into a combined arms army, the number of specialized personnel exceeds that of infantrymen for the first time, the artillery has become the biggest arm of the services, and new arms of the

services have been formed such as the Army's air force, the electronic warfare unit, the meteorological unit, mountain troops, a nuclear submarine unit, and the Air Force's missile unit, thus initially ending the era in which the infantry constituted the mainstay of the armed forces. Since the Gulf war, Jiang Zemin, who took over chairmanship of the CMC, has been fully aware of the decisive role high-tech military strength plays in war. With the support of Deng Xiaoping, he speeded up the pace of building our Army into a modern and regular army. The Air Force, Navy, and 2d Artillery Corps have thus been further strengthened. More than 60 percent of the Air Force's wings manage to conduct all-weather flights. The Navy's fleets have been able to cross the Pacific Ocean and the Indian Ocean, thus demonstrating a powerful marine defense capability, naval troops have been successively equipped with domestically made seaplanes of the first generation, new missile destroyers equipped with modern equipment have been put into active service one after another, nuclear-powered missile submarines have successfully conducted underwater launch tests of carrier rockets, and success has been seen in transport navigation training. Specialist troops, such as the artillery, the armored corps, the engineering corps, the antichemical warfare corps, account 70 percent or so of the ground forces and their firepower and response speed have been greatly enhanced. Joint combat exercises with live ammunition with the participation of many arms of the services have reached very high levels. Nearly 80 percent of commanders at and above regimental level in the armed forces have university or college-level schooling.

#### Younger High-Ranking Military Officers Are To Replace Old-timers

After the restoration of military ranks and the promotions in 1988 of 17 generals, six generals were promoted last year, and 19 generals were promoted on 8 June this year, including those in charge of the general departments under the CMC and the commanders or political commissars of the various military regions, with Jiang Zemin personally issuing the promotions. This move was really extraordinary. It implies the intention of the CPC to make members of the military leading body younger in average age and to play a role in maintaining stability in all quarters. The promotions to general of Wang Ruilin, secretary to Deng Xiaoping, director of the Deng Xiaoping Office, and deputy director of the General Political Department, and Yan Dezhong, director of the Security Guards Bureau of the General Staff Headquarters were the most eye-catching. The two men have one specific feature, that is, they are key high-ranking military officers working in the CPC decisionmaking core. Their important positions are self-evident.

In recent years, the CPC has repeatedly stressed accelerating the training of a leading body of successors who will carry forward our cause beyond this century. After Deng Xiaoping's resignation, the CMC elected two old timers, Liu Huaqing and Zhang Zhen, as transition

figures to maintain the Army's morale and to assist Jiang Zemin in managing the Army. Now, Liu Huaqing has turned 78 years old, while Zhang Zhen is 80. It seems quite inappropriate for them to remain at the helm of the fast train of military modernization. It is quite evident that the current move to promote 19 generals is intended to make members of the Central Military Committee younger on average. It has been reported that the position of secretary general of the CMC, which was abolished at the 14th CPC National Congress, will probably be restored. Defense Minister Chi Haotian and Wang Ruilin are strong candidates for the post.

This probably means that Jiang Zemin has put the Army under his complete control and leadership.

#### Reportage on Issues, Agenda of Fourth Plenary Session

##### Prepares for Post-Deng Era

HK2309120194 Hong Kong MING PAO in Chinese  
23 Sep 94 p A2

[By special correspondent Fang Yuan (2455 0337): "Fourth Plenary Session Is To Lay Ideological, Organizational Foundation for Post-Deng Period; CPC Intends To Save Itself From Going Under by Focusing on Political Issues, Rather Than Economic Problems"]

[Text] The Fourth Plenary Session of the 14th CPC Central Committee is to open at Beijing's Jingxi Guest House on the 25th of this month. The participants will come to Beijing from various places across the land, beginning tomorrow [24 September]. According to a source, the main item on the agenda is party building, rather than economic issues. In fact, the session is designed to lay an ideological and organizational foundation for the post-Deng era.

The source said that the plenum will not decide on a personnel change. The only possibility is that Chi Haotian, incumbent state councillor and defense minister, may be appointed secretary general of the Central Military Commission [CMC], a position which has been furnished anew, so as to wield real power over the Army. Liu Huaqing and Zhang Zhen, incumbent vice CMC chairmen, will keep their positions, while Wang Ruilin, Deng Xiaoping's personal bodyguard, will not be given a new job, though it has been widely rumored that he would be appointed CMC secretary general.

The source added that the "item of party building" comprises three sectors: 1) The promotion of culture and ethics; 2) The strengthening of party organizations at the grass-roots level in rural areas; and 3) Lowering the average age of cadres, with the stress on the second issue.

According to restricted CPC materials, two-thirds of party organizations at the basic level in rural areas are paralyzed. Many village party branches, and town and township party committees exist in name only. Millions of party-member peasants have left their home villages,

entered the cities to work or do business, or joined the aimless drift of rural laborers, and even their next higher party committees do not know their whereabouts. The CPC authorities believe that party organizations in rural areas are now in a state of "feebleness and laxity" not seen since the Kuomintang's encirclement and suppression operations against the CPC in 1927. In a speech to a limited number of cadres, CPC General Secretary Jiang Zemin said that by seeing efforts to strengthen grass-roots party organizations as "saving the CPC, as a ruling party, from going under," he was not exaggerating things only to scare people.

It has been learned that the forthcoming plenum will not discuss in-depth political restructuring and government corruption, which are of the greatest public concern, but a considerable part of the document to be issued after the meeting will be devoted to the problem concerning the party's core leadership. It will talk about the first generation of central leadership with Mao Zedong at the core, the second generation of central leadership with Deng Xiaoping at the core, and the third generation of central leadership with "Jiang Zemin at the core," and will stress the importance of the leadership core in a bid to reinforce Jiang's leading position throughout the party.

The plenum will define the leading position of Deng's theory in the party, and will give a high appraisal of the role Deng has played in the party's history. This, in fact, aims at making a final appraisal of Deng's political career, imparting a clear message that the party will enter a post-Deng era.

According to a report, the party's decision to discuss only political, rather than economic matters at the plenum indirectly demonstrates that the CPC authorities are divided over the highly sensitive economic issues, while having little differences in political matters.

As many members of the party Central Committee are retired cadres, who were former provincial or department leaders, the CPC authorities were concerned that they would make attacks when discussing sensitive problems, thus resulting in a serious conflict. The CPC hierarchy now is inclined to weaken the role of the party Central Committee and to enhance the role of the Political Bureau, and especially its Standing Committee.

All members and alternate members of the party Central Committee will attend the plenum. Responsible members of various provinces, municipalities, and departments, who are not members or alternate members of the party Central Committee, will be invited to attend the meeting as observers. Of the CPC elders, only Bo Yibo and Wan Li reportedly have been invited to attend.

#### Begins With Top-Level Meeting

HK2509040894 Hong Kong AFP in English 0354 GMT  
25 Sep 94

[Text] Beijing, Sept 25 (AFP)—China's top leaders, members of the Central Committee of the country's

Communist Party began meeting Sunday in a closed session in a hotel here, a security official at the hotel said.

Reinforcing the party's role and economic development will be the themes of the meeting which will last several days, according to observers here.

About 180 members of the ruling party's Central Committee's are taking part in the Fourth Plenum of the 14th Congress which opened in the west of the city, said the source at the Jingxi hotel, which is festooned by banners reading "long live the Chinese Communist Party" and "long live the People's Republic."

A party spokesman contacted by phone said: "I think the plenum has begun."

#### Stresses Political, Not Economic Issues

HK2609035694 Hong Kong SOUTH CHINA MORNING POST in English 26 Sep 94 pp 1, 9

[By Willy Wo-Lap Lam]

[Text] Beijing has adopted a tough blueprint to save the Communist Party from crumbling in the post-Deng Xiaoping era. The fourth plenum of the party's 14th Central Committee, which opened in Beijing yesterday, will pledge to spare no resources to resurrect and strengthen more than 100,000 party cells and other organisations. It will also appeal for national unity under the banner of Deng Xiaoping Thought [capitalization as published] and the leadership of the patriarch's chosen successor, President Jiang Zemin. But the gathering is not expected to unveil new initiatives to fight worsening economic problems such as hyperinflation. Sources close to the Central Committee said the plenum would only underscore the importance of boosting central authority and macro-economic control to restore financial order.

The plenary session, which will close three days before National Day, October 1, will rubber-stamp a conservative blueprint called the "Central Committee Resolution on the Strengthening of the Construction of the Party's Grassroots Organisations". The less controversial parts of the resolution will be released on Wednesday night [28 September]. The sources said the "save-the-party" programme was tied to the anxiety of the leadership over avoiding chaos and the break-up of party authority after Mr Deng's death.

Given the fact that close to 80 percent of the population live in rural areas, the focus of the resolution is to resuscitate party organisations in counties and villages, more than 75 percent of which were recently deemed to have lost their "combat-readiness". The Central Committee will commit unprecedentedly large funds and human resources to rebuilding the party cells and picking a new crop of "trustworthy" grassroots leaders. "The stability of the country depends on the stability of the countryside" the resolution reportedly says. "The long

reign and long-term stability of the Communist Party hinges on the strength of grassroots-level party branches and cells," it says.

The Central Committee calls upon leaders of all levels to "grasp well the task of party construction and to improve the party's working style". "We must boost the cohesiveness and combat-readiness of party organisations", the resolution reportedly says. "We must put together a good leadership corps at grassroots party branches and establish a good system for propagating party secretaries and other leaders who pass muster in both morals and ability." Sources said the leadership was worried about grassroots party cells being over-run by the "evil forces" of capitalism, the revival of clans, triads and other underground organisations, as well as the spread of Christianity and other religions.

The resolution, drafted by a team which reported directly to Mr Jiang, stresses the need to boost party unity by ensuring that Deng Thought remains the state creed "for 100 years". The document warns that cadres and party members must not depart from the line imposed by the "party centre with Comrade Jiang Zemin as its core". One section is devoted to building up "spiritual civilisation" and common prosperity as an antidote to bourgeois liberalisation and "extreme individualism". Another section looks at the question of the construction of a "cross-century" leadership corps at the central level, or finding trustworthy, socialism-loving successors for such third-generation leaders as Mr Jiang and premier Li Peng.

In the main, the document focuses on political rather than economic issues, frank discussions of which may mar the theme of unity which is being celebrated in the run-up to October 1. One Beijing economist familiar with the drafting process said the resolution failed to adequately address pressing problems such as inflation. "Until mid-year, the party was putting together a blueprint on the 'socialist market economy' that would synthesise market reforms with macro-economic adjustments and controls," he said. "Seeing as its priority the restoration of fiscal discipline, the leadership has decided to concentrate on recentralising powers and to forget about economic liberalisation for the moment." Another source said the document would only mention the imperative of boosting control mechanisms, particularly the need for regional cadres and entrepreneurs to subsume their individual requirements to "the overall situation" of containing inflation.

The plenum is being held at the military-run Jingxi Hotel in Beijing, which was yesterday festooned with banners such as "Long Live the Chinese Communist Party". Participants include 320 full and alternate members of the Central Committee, party elders and representatives from the Army and the regions.

**Focuses on Corruption, Promotes Younger Cadres**  
HK2609061894 Hong Kong *MING PAO* in Chinese  
26 Sep 94 p A2

[*"Special report"* by special reporter Fang Yuan (2455 0337); "Fourth Plenary Session Seeks Effective Prescription for Curing Corruption of Party and State, Advocates Building of Spiritual Civilization, and Promotes Younger Cadres"]

[Text] The Fourth Plenary Session of the 14th CPC Central Committee opened at the Jingxi Guest House in Beijing yesterday. The main topics to be discussed during this plenum are: Stepping up the building of spiritual civilization, intensifying grass-roots party organizations in rural areas, and lowering the average age of cadres.

Apart from more than 300 members and alternate members of the central committee, nearly 100 people, mostly officials in charge of various departments, provinces, and autonomous regions who for the time being are not central committee members, are also present at this central committee plenary session as specially invited non-voting participants. All the Political Bureau members are attending the plenum, except Vice Premier and Foreign Minister Qian Qichen, who is visiting the United States to attend the UN general assembly.

Document drafting as part of the preparations for this fourth central committee plenum was started earlier this year. The principal conveners for document drafting included Teng Wensheng, deputy director of the policy research center of the CPC Central Committee; and Zheng Bijian, executive deputy head of the Propaganda Department of the CPC Central Committee. Draft documents have been shuttled to and fro between the central and the provincial, regional, and departmental levels to solicit opinions, and all the major democratic parties and factions have been consulted in the drafting process.

The building of spiritual civilization has been a key point which the CPC has been constantly stressing since the beginning of this year. In recent years, the CPC has been disturbed by lax discipline and wild corruption among party organizations. The CPC higher leadership has attributed all these phenomena to deficiencies in ideological education, the crisis of faith, and demoralization. During an inspection tour of Guangdong Province last June, CPC General Secretary Jiang Zemin strongly reproached the local authorities for letting pornography and gambling run amok and demanded strong action be taken to wipe out such phenomena.

During an inspection tour of Fujian in early July, Jiang Zemin reiterated the importance of promoting spiritual civilization. He said: "Under any circumstances, never should we develop the economy at the expense of spiritual civilization." For some time, some people within the party have accused this remark of violating the CPC's basic line of "making economic construction the central task" above all else, and it has been regarded as a

"leftist" view. But it indeed reflects the CPC higher leadership's worries about the potential for demoralization as a result of the impact of the great tide of the market economy.

The Propaganda Department of the CPC Central Committee has made every effort to implement the higher leadership's instructions on the enhancement of "spiritual civilization." The "Five-One Project" [project to present each year one good book, one good opera, one good film or television play, and one or several good essays with original ideas and well-grounded points], the Deng Xiaoping Works Studying Drive, and the release of the "Program for Patriotic Education" are all elements of the effort to promote "spiritual civilization." The process of lowering the average age of cadres actually began after the 14th CPC National Congress in October 1992, and now it is Hu Jintao (52 year old), the youngest member of the Political Bureau Standing Committee, who is in charge of organizational work and personnel issues in the CPC.

Last year, the central authorities issued a guideline for local authorities, demanding that all the party committees and governments at the provincial level shall each have at least a standing committee member or vice governor below the age of 50. A mandatory provision like this in terms of the age of members of the leading bodies is quite unusual. When formulating the plan for the civil service system reform this year, Premier Li Peng emphasized that it is also necessary to set an upper age limit for government officials at all grades, and those who have reached an age limit and show no potential for further promotion shall retire or be reappointed as "researching and consulting staff" so as to make room for younger colleagues.

In fact, the process of lowering the average age of cadres has been quietly sped up this year. What is noteworthy is that two young officials in their early forties from Zhu Rongji's brain trust have been promoted—Lou Jiwei, former director of the macroeconomic section of the State Commission for Restructuring the Economic System, has been appointed vice minister of finance, and Li Jiang, former director of the rules and regulations section of the State Economic and Trade Commission, has been appointed vice chairman of the Chinese Securities Supervision Council. Meanwhile, Major General You Kexi, deputy commander of the Central Guards Regiment, which serves as Jiang Zemin's bodyguards, has replaced Yang Dezhong as the commander of the regiment and has been promoted lieutenant general. It has also been reported that Teng Wensheng, deputy director of the policy research center of the CPC Central Committee, will possibly be promoted to replace Wang Weicheng as director of the policy research center; and Zhu Yuening, vice mayor of Shenzhen City, may leave for Beijing to replace Li Xinghao as deputy director of the Overseas Chinese Affairs Office under the State Council.

### Li Peng Addresses Water Work Meeting

OW2409003794 Beijing XINHUA Domestic Service in Chinese 1112 GMT 21 Sep 94

[By Central People's Broadcasting Station reporter Liu Zhenying (0491 2182 5391) and XINHUA reporters Lu Yongjian (7773 3057 1696) and Zheng Qingdong (6774 1987 2639)]

[Text] Beijing, 21 Sep (XINHUA)—Addressing the National Conference on Water Conservation Work, which concluded today, Premier Li Peng stressed: Water conservation projects constitute the national economy's infrastructural facilities and basic industries, they are not only the lifeline of agriculture but also the foundation for social development. We should understand the position and role of water conservation projects and attach importance to their construction and development from a strategic perspective.

Vice Premier Zhu Rongji presided over today's conference.

Leaders from Guangdong, Gansu, and Sichuan Provinces spoke at the conference, introducing the strengthening of water conservation work in their respective areas.

Li Peng stressed: China is seriously short of water resources, and rainfall is very much uneven in different areas and seasons, resulting in frequent flooding and droughts. In accordance with national conditions, we should strengthen our awareness of disasters caused by flooding and further enhance our sense of urgency about building water conservation projects.

In his speech, Li Peng said: Over the past few years governments at all levels have done a great deal of work in connection with water conservation, but practice shows that we lack understanding of the position and role of water conservation projects as part of our infrastructure and as a basic industry, and we do not sufficiently understand the importance and urgency of building water conservation projects. Our measures in this connection are not effective enough. Leaders at all levels should remain sober and never lower their guard and entertain the idea of leaving things to chance. Work to harness rivers and lakes, big or small, and small river basins should be accelerated, and this should be fully embodied in our construction this year, next year, and during the Ninth Five-Year Plan period.

When discussing future tasks of water conservation project construction, Li Peng pointed out: Judging from the situation throughout the country, in the 1990's we must accelerate the harnessing of big rivers and lakes and accomplish a few major water conservation infrastructural projects. We must build a number of large key projects for flood prevention, electricity generation, water storage, and water diversion; strengthen levees and the construction of flood-prevention and drainage projects; and build more farmland water conservation

projects. We must accelerate water and soil conservation and the harnessing of river basins, speed up the building of urban flood-prevention projects, and adopt positive measures to solve the problem of shortages of water in many cities and areas.

Li Peng said: According to the law governing the cycle of flooding, the trend of major flooding caused by China's big rivers is very grim. In the middle and lower reaches of the seven big rivers in China, the population accounts for two-thirds of the nation's people and the arable land accounts for one-third of the country's total arable land. In these areas the economy is developed and economic output value plays a decisive role in the national economy. Preventing flooding caused by the big rivers is of great significance for the nation's economic and social development. Preparations are being made for the construction of the Three Gorges Water Control Project on Chang Jiang, and construction of the Xiaolangdi Water Control Project on the Huang He has officially begun. These are great projects of decisive significance in the harnessing of the Chang Jiang and Huang He. The exploits belong to this generation, but the benefit the projects will provide will remain for thousands of years. We must devote our efforts to doing these two tasks well. He pointed out: We must be aware that the construction period for these projects is relatively long. Therefore, we must never slacken our preventive measures to guard against big flooding during the construction period. Moreover, when completed, these projects can yield comprehensive benefits only if there are corresponding facilities. We must also strengthen the building of flood-prevention projects related to other big rivers and lakes. First, we must raise the standard of these projects so that they are capable of combating flooding levels such as the worst that have occurred since the founding of New China, to ensure that we safely pull through flooding seasons.

Li Peng stressed: Permanently harnessing big rivers and lakes is a very arduous historic mission, because overall harnessing can be realized only through the unrelenting efforts of a few generations of people. Governments at all levels and various relevant departments should have a sense of historic mission, really shoulder responsibility, and do their utmost to accomplish results in the 1990's so as to build a solid foundation for water conservation project construction in the next century.

Li Peng stressed we must accelerate the building of urban flood-prevention projects. He said: Although flood-prevention facilities in China's urban areas have improved considerably since the country's liberation, we still face a formidable task in this respect. Cities which are subject to the threat of flooding must have flood-prevention facilities. Urban development plans should include flood-prevention programs. Urban flood-prevention facilities must be built in order to raise the flood-prevention capacity of urban areas to a new level in a short period of time.

Li Peng pointed out: We must pay attention to water supply and water conservation work. In the country many cities and rural villages are faced with a shortage of water. Governments at all levels should scientifically draw up plans for the exploitation and rational utilization of water resources; build water supply works according to plans; strengthen the management of water resources; draw on the advanced experiences of foreign countries; and in line with national conditions devise ways to use water economically and scientifically, so as to enable water resources to yield maximum benefit.

Li Peng pointed out: To realize the goals of building water conservation projects, we must adopt effective measures. We must strengthen leadership and mobilize all forces in society to speed up the construction of water conservation projects.

He said: Building water conservation projects to benefit the people is an important responsibility of governments at all levels. Attaching importance to water conservation work and accelerating the harnessing of large rivers and lakes is not only a task for this year and next year, but is a long-term task for the days to come. Governments at all levels must include the strengthening of water conservation work as an important item on their agenda. In accordance with local conditions, they should make the gradual improvement and consolidation of water conservation infrastructural facilities a task to be carried out during their term of office. When they draw up their economic and social development plans, local governments should also draw up a water conservation capital construction program in order to markedly improve the construction of water conservation infrastructural facilities over a period of a few years. Provincial governors and city mayors should grasp water conservation work and show concern for it. The system of provincial governors assuming responsibility for flood prevention and drought combating should be implemented, and the system of city mayors assuming responsibility for urban flood prevention should be instituted. Leaders should assume responsibility for the success or failure of harnessing rivers and lakes, because an official should work for the benefit of the people and should do good things for the people by bringing rivers and lakes under control.

Li Peng said: The key to accelerating the construction of water conservation infrastructural facilities is to increase investment. Central government will increase input, but local governments should also increase input. At the same time, the system for raising funds through many channels—the state, localities, collectives, and various sectors of society—should be implemented. Investment in water conservation projects should follow the principle of having different levels assume responsibility: Investment by central government will be used mainly for the harnessing of large rivers and lakes; trans-provincial and trans-river basin projects will be undertaken jointly by the state and local authorities; the harnessing of medium and small rivers will be undertaken by local authorities; flood-prevention projects in

urban areas will be undertaken mainly by local authorities; the state will provide appropriate support for the harnessing of areas where soil erosion is serious; local authorities and those departments and units which will benefit should jointly invest in the construction of local water conservation projects.

He said: It is necessary to harness rivers and lakes according to law. We must conscientiously implement laws and regulations concerning water conservation work. Plans for the utilization of water resources, the allocation of water resources, and the registration of permits to draw water should be administered according to the law. No localities are allowed to do things their own way. To meet the requirements of the socialist economic market structure, we should use legal means to standardize and administer behavior and activities in connection with water conservation work. We must resolutely correct the phenomenon of disobeying the law or not enforcing it strictly. We must stop actions which disregard the overall interest and hinder the administration of water resources by seeking only local or departmental interests. All departments should support water administrative departments in their work.

Li Peng pointed out it is necessary to carry forward the spirit of harnessing rivers and lakes in unity. He said: The work of building water conservation projects and harnessing rivers is very arduous. It involves all areas. Therefore, we must mobilize and organize the masses to participate in this work. We should give full play to the superiority of the socialist system and to our party's political superiority. Heeding the overall interest and harnessing rivers in unity is an important principle in preventing and combating floods and is also an important principle in building water conservation projects. Under the unified leadership of party committees and governments, various areas should carry forward the spirit of harnessing rivers and lakes in unity and seize the favorable opportunities to whip up an upsurge of mass activity to build water conservation projects this winter and next spring.

In conclusion, Li Peng stressed: Eliminating water disasters by building water conservation projects is a plan of lasting importance and benefit to people of future generations. Governments at all levels must carry forward the spirit of self-reliance and hard struggle and relentlessly push ahead with water projects aimed at transforming nature and benefiting the people.

Addressing the conference, Vice Premier Zhu Rongji said Premier Li Peng's speech was very important, for it summed up the conference. He called on the conference participants to publicize the speech after they got back to their units. He also urged them to take into account local conditions, conscientiously implement the guidelines of the national conference on water conservation work, and draw up feasible plans in order to ensure success in water conservation work this winter, next spring, and in the days to come.

Li Lanqing, Wen Jiabao, Song Jian, Li Guixian, Chen Junsheng, and other leading comrades attended the conference.

At the conference, Minister of Water Resources Niu Maosheng read aloud the ministry's decision to commend national advanced units in water conservation construction. The decision conferred the 1994 title of "National Advanced Units in Water Conservation Construction" on the water conservation departments and bureaus of eight provinces and one municipality, including Beijing, Liaoning, Jiangsu, Shandong, Henan, Guangdong, Sichuan, Shaanxi, and Gansu. Li Peng, Zhu Rongji, and other leading comrades presented them with certificates of merit.

#### Jiang Zemin Visits Exhibition on Social Development

OW2509162594 Beijing XINHUA in English 1517  
GMT 25 Sep 94

[Text] Beijing, September 25 (XINHUA)—Chinese President Jiang Zemin and several other senior leaders visited an exhibition of China's social development here tonight.

The exhibition, started Saturday to mark the 45th anniversary of the founding of the People's Republic of China, shows the great achievements China made during the past 45 years, especially, during the past 15 years when China adopted the policy of reform and opening to outside world.

When Jiang learned that some 1.03 million people inflicted with cataract regained their eyesight through surgery during the past six years, he praised it as a "remarkable achievement."

The exhibition, which was also held in preparation for the forthcoming Social Development World Summit (SDWS) of the United Nations next year, was sponsored by the State Planning Commission and the China Preparatory Committee of the SDWS and 24 other ministries and commissions as well as local governments.

Qiao Shi, chairman of the Standing Committee of the National People's Congress and a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC), and Hu Jintao, also a member of the Standing Committee of the Politbureau, and several others also visited the exhibition tonight.

#### Qian Qichen's Congratulation Message for SHIJIE ZHISHI

OW2409113794 Shanghai WEN HUI BAO in Chinese  
16 Sep 94 p 3

[By Qian Qichen]

[Text] This year's 16 September is the 60th anniversary of SHIJIE ZHISHI BANYUE KAN [WORLD KNOWLEDGE SEMIMONTHLY] and the Shiejiezishi Publishing House. Comrade Hu Yuzhi said in his article marking the first publication of SHIJIE ZHISHI BANYUE KAN 60 years ago: "Let us give our best wishes to this little thing! It will help you know the world! In the course of 'building China into a country of the world,' it will do its best to make little contributions." To help readers know the world has been the magazine's and publishing house's consistent goal over the past 60 years.

When SHIJIE ZHISHI BANYUE KAN started publication and the Shiejiezishi Publishing House was established 60 years ago, China was in a critical moment. It was suffering from both foreign invasion and domestic turbulence, its territorial integrity and sovereignty were being violated and the nation was faced with a serious crisis of life and death, and the Chinese people were living in an abyss of misery. At that time, the purpose of helping readers know the world was to help China fight against Japan and to assist in the Chinese people's great struggle for liberalization. It is the lofty goal set by revolutionary cultural personages of the older generation and international affairs experts who were running the magazine.

Today's China is very different from the China of 60 years ago. The victory of the Chinese Revolution ended the Chinese people's miserable history. They are no longer threatened by foreign invasion and oppression at home. Economic construction brings new changes day after day and the scale of reform and opening up continues to expand. These have greatly changed the poor and backward outlook of the old China. Now, to help readers know the world, the magazine will promote reform and opening up and serve the great cause of building socialism with Chinese characteristics. It is a glorious mission entrusted to SHIJIE ZHISHI BANYUE KAN and to the Shiejiezishi Publishing House in the contemporary world.

Surviving the hardships over the past 60 years and with the continuous efforts of several generations of staff, the "little thing" has become bigger and stronger. SHIJIE ZHISHI has contributed a "little" to the birth and growth of the New China and I am sure it will grow even better as the New China becomes more prosperous and stronger.

#### Luo Gan Meets With 'Living Buddha Garmaba' in Beijing

OW2509162694 Beijing XINHUA in English 1449  
GMT 25 Sep 94

[Text] Beijing, September 25 (XINHUA)—Luo Gan, secretary-general of the State Council, met the 17th Living Buddha Garmaba today here hours after the latter flew in from Lhasa.

This is the 10-year-old living Buddha's first trip out of Tibet. During his visit in the Chinese capital, he will attend ceremonies for the marking of the 45th National Day, falling on October 1.

On behalf of the State Council, Luo, who is also a state councillor, welcomed Garmaba's visiting of Beijing and congratulated that he has completed two years' activity of succession.

He said that the central government is trying all it can to speed up Tibet's development. The government cares much about the living Buddha's study and life; and the young garmaba is well looked after by the Curbo Monastery, where he stays, and the Tibet Autonomous Region Government.

He hoped that the garmaba would study hard and carry on the tradition of patriotism to become a patriotic living Buddha with deep love for his religion.

Ngapoi Ngawang Jigme, vice-chairman of the National Committee of the Chinese People's Consultative Conference, this afternoon paid a visit to the Buddha in the hotel he is staying in.

The young karmaba, by the name of Karmapa Chilaide-jo, was born in Lhamdo Township in Chamdo County in the eastern part of Tibet.

He was found to be the reincarnated child of the 16th Karmaba Living Buddha whose will defined the birthplace, names of parents and age of his successor.

He ascended the holy throne in the Tibet-based Curbo Monastery at a solemn ceremony in 1992 with the approval of the Religious Affairs Bureau of the State Council of China.

#### Hu Jintao Urges More Training for Minorities' Officials

OW2309180194 Beijing XINHUA in English 1444  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—Hu Jintao, a top leader of the Chinese Communist Party, urged today that effort be made to step up the training of officials of ethnic minorities, particularly younger ones.

Hu, a Standing Committee member of the Political Bureau of the party Central Committee, said that the invigoration of the Chinese nation and the prosperity of the whole of China are dependent on the invigoration and development of areas inhabited by people of ethnic minorities.

He made these remarks at a meeting held in the party school of the party Central Committee to mark the 40th anniversary of the opening of a course for training officials from northwest China's Xinjiang Uygur Autonomous Region.

To date, the course has trained 1,200 officials of ethnic minorities from Xinjiang.

Addressing the meeting, Hu said, "in a sense, faster development and construction and growth of the economy and various undertakings in areas inhabited by people of ethnic minorities depend on the comprehensive improvement in the quality of officials of ethnic minorities."

That makes it imperative to step up the training of officials working in such areas, he noted.

Hu Jintao said what is essential to better training of such officials is to arm them with Deng Xiaoping's theory of building socialism with Chinese characteristics.

The training of such officials is an important component of the party's policy on work among people of various ethnic minority groups, he pointed out.

### Hu Jintao Attends Central Party School Founding Celebration

*OW2609110794 Beijing XINHUA Domestic Service in Chinese 1144 GMT 23 Sep 94*

[By GUANGMING RIBAO reporter Fang Jiangshan (2455 3068 1472) and XINHUA reporter Liu Siyang (0491 1835 2254)]

[Text] Beijing, 23 Sep (XINHUA)—The CPC Central Committee Party School today held a solemn meeting to celebrate the 40th founding anniversary of classes for ethnic Xinjiang cadres. Hu Jintao, member of the CPC Central Committee Political Bureau Standing Committee and president of the CPC Central Committee Party School, said: We must understand more about the protracted and complicated nature and importance of nationalities work; and, by proceeding from the overall situation and a strategic vantage point, attach great importance to and vigorously intensify training for ethnic minority cadres, particularly middle-age and young ones.

In 1954, the CPC Central Committee Party School set up classes for ethnic Xinjiang cadres in accordance with a party Central Committee decision. Thanks to the party Central Committee's kind attention, hard work by all CPC Central Committee Party School personnel, and close coordination and active support from the Xinjiang Uygur autonomous regional party committee, 23 classes for ethnic Xinjiang cadres were held and over 1,200 ethnic minority leading cadres and key figures in the theoretical field were trained in the past 40 years. These comrades have enthusiastically carried out the party's line, principles, and policies in their individual posts; and accomplished much work and scored gratifying successes in developing Xinjiang's economy, promoting spiritual civilization, strengthening ethnic unity, and maintaining social stability.

On behalf of the party Central Committee and the CPC Central Committee Party School's party committee, Hu Jintao warmly congratulated the Xinjiang ethnic cadre classes on the great successes they scored in training

ethnic cadres in the past 40 years, and graduates of the Xinjiang classes on the excellent results they achieved in practical work.

Hu Jintao said: New situations and tasks have made new and greater demands on the qualities of the ranks of cadres, including ethnic-minority cadres. The rejuvenation and development of ethnic minority regions have a bearing on the Chinese nation's rejuvenation and its prosperity and strength. In a certain sense, how much we can promote overall improvement in the qualities of cadres of various nationalities and how fast we can increase all types of skilled personnel in ethnic regions will dictate whether we will succeed in accelerating the opening up and development of ethnic regions, in developing the economy, and other undertakings there. Therefore, we should adapt to the needs of the new situation and of developing various undertakings by intensifying training for cadres from ethnic minority regions.

Hu Jintao said emphatically: The foremost and fundamental thing in intensifying training for ethnic minority cadres are perseverance in mentally preparing cadres of various nationalities with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. We should closely center our efforts around the party's central task and tailor our training to our trainees' characteristics and actual needs

In conclusion, Hu Jintao emphatically said: Training and grooming ethnic-minority cadres are important aspects of our party's policy on nationalities and work regarding cadres. He urged party committees at all levels to further understand relevant work, strengthen their leadership over training for ethnic minority cadres, and seriously study new situations and issues facing them in training ethnic minority cadres in the new situation and sum up new experiences gained from providing such training. All relevant departments should cooperate more and coordinate with each other under the unified leadership of the party committees, to solve practical problems in training ethnic minority cadres and create a fine environment for such training.

Ismail Amat, state councillor and minister in charge of the State Nationalities Affairs Commission, also spoke at the meeting. He said: To all Xinjiang cadres, the CPC Central Committee Party School's Xinjiang class can be described as a theoretical-study classroom, a world of knowledge, and a furnace that produces qualified party and government cadres. The establishment of the Xinjiang classes has illustrated the attention paid by our party to training ethnic minority cadres, to building up the ethnic minority areas, and to helping various nationalities develop and progress. The CPC Central Committee Party School occupies a prestigious position in the hearts of ethnic minority cadres. Therefore, we should continue and further improve the Xinjiang classes.

Present at the meeting were Tomur Dawamat, vice chairman of the National People's Congress Standing

Committee; Wang Zhaoguo and Seypidin Aze, vice chairmen of the national committee of the Chinese People's Political Consultative Conference; and responsible people of the Xinjiang Uygur autonomous regional party committee and government and relevant central departments. Wang Jialiao, executive vice president of the CPC Central Committee Party School, presided over the meeting.

### Ding Guangen Addresses Ideological Propaganda Course

OW2609075994 Beijing XINHUA Domestic Service in Chinese 0927 GMT 23 Sep 94

[Text] Beijing, 23 Sep (XINHUA)—Addressing the national study course for propaganda departmental heads of large and medium cities, Ding Guangen, a member of the CPC Central Committee Political Bureau and secretary of the CPC Secretariat, urged the ideological propaganda front to firmly foster; take into account; and serve the overall concept before working conscientiously and solidly in providing reform, development, and stability with better media support and ideological guarantee.

Touching on results of the study course, Ding Guangen said: The month-long study and discussion has enabled you to further enhance understanding, unify thinking, identify the mission, strengthen confidence, exchange experience, study problems and find ways for their solution, train cadres, make friends, promote unity, and lay a sound foundation to better carry out the tasks of urban ideological propaganda. It is hoped that all of you will work hard to positively bring out the inspiring, spurring, and demonstrative role of ideological propaganda in large and medium cities.

Ding Guangen emphasized: Firmly fostering the overall concept and taking the initiative to ensure consistency with the party's Central Committee will be specifically important to a successful ideological propaganda job. Grasping the opportunities, deepening reform, opening wider, and promoting development have been the overall work situation of the whole party that deeply reflects the objective law of China's socialist construction and fully demonstrates the fundamental interests of the people of all nationalities in China. In carrying out ideological propaganda, we must take the overall situation into consideration, serve it, act under it, and judge things from its perspective. It is only with the overall situation in mind that we will be able to identify our exact position in ideological propaganda, to manage well major things, to bring out the superiority, and to develop healthily.

Ding Guangen pointed out: In carrying out ideological propaganda, we should adhere to the masses' viewpoints, serve the people wholeheartedly, go deep into the masses and their livelihoods, trust them, rely on them, modestly learn from them, and pay attention to absorbing their wisdom. We should energetically publicize and eulogize

the vivid practice of the masses and their heroic achievements, reflect their inspirations, meet their ever-increasing spiritual and cultural demands, and encourage them to actively involve themselves in reform and construction. As forwarded by Comrade Deng Xiaoping, our criteria for performing a job or handling a matter should depend on whether or not the people will support it, favor it, be happy with it, and permit it to be done.

Ding Guangen said: As an important guiding principle emphasized by the 14th CPC National Congress, the most important part of spiritual civilization lies in its building and should be appropriately put into practice. In building spiritual civilization, the most important and basic aspect is to arm the entire party with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. In carrying out ideological propaganda, it is necessary to firmly stick to this basics, hold aloft this banner, and erect a spiritual pillar for the entire party and the whole nation. In building spiritual civilization, it is important to produce more quality works and train more talented people, to apply the idea of developing key projects in economic construction to a better spiritual civilization construction, to identify objectives, to set priorities, to ascertain carrier and position, and to conduct activities systematically. Several well-received, result-oriented major events should be conducted every year. While upholding unity and stability, we should concentrate on positive publicity; energetically promote the main themes; and fully reflect the bright, positive, and healthy sides of social life in China.

### Ismail Amat Attends Ethnic Culture Exhibition

OW2509164994 Beijing XINHUA Domestic Service in Chinese 0858 GMT 22 Sep 94

[By reporter Ge Lai (2706 0171)]

[Text] Beijing, 22 Sep (XINHUA)—Part of an exhibition series on traditional culture of China's ethnic minorities opened at the Nationalities Cultural Palace this morning.

Buhe, Ismail Amat, Ngapoi Ngawang Jigme, and Seypidin Aze attended and cut ribbons at the opening ceremony.

The exhibition displayed 470 articles in three sections: ethnic costumes and ornaments, musical instruments, and arts and crafts. It is known that the palace has a collection of 40,000 precious cultural relics of ethnic minorities in the country. Among the cultural relics exhibited here were some rare finds that were being shown for the first time.

The exhibition was held to commemorate the 45th founding anniversary of our People's Republic, and to greet the second national commendation meeting for advanced collectives and individuals in promoting ethnic unity and progress.

Attending the opening ceremony were responsible comrades of the United Front Work Department of the CPC Central Committee, the State Nationalities Affairs Commission, and relevant departments.

### Chen Muhua Addresses 2d Family Education Society Congress

*OW2509211594 Beijing XINHUA Domestic Service in Chinese 0738 GMT 22 Sep 94*

[Text] Beijing, 22 Sep (XINHUA)—The China Family Education Society [CFES] opened its second congress and a theoretical seminar in Beijing today. The meeting will sum up the work of society in the previous five years and set tasks to be fulfilled in the future.

In her speech at the opening ceremony, Chen Muhua, vice chairman of the National People's Congress Standing Committee and honorary president of the CFES, said: The CFES and family education organizations in all areas have played a positive role in training qualified personnel and improving the quality of all nationalities and, thus, have won the support of the party and government as well as the people's praise. Practice has proven that family education organization at all levels is an effective organizational form for arousing the whole society to care about, support, and improve family education. The "Outline for the Program of Chinese Children's Development in the Nineties" contains a provision on the targets of family education. It is hoped that the CFES and other relevant departments will make continued efforts for their fulfillment.

Since its establishment in 1989, the CFES has done a large amount of work and promoted development of family education nationwide. It is learned that, so far, family education research associations have been established in 29 provinces, municipalities, and autonomous regions and in a number of cities and counties across the country; over 250,000 schools for parents and 55,000 service stations for consultations involving family education have been established in all areas; and a large number of advanced collectives and individuals that have distinguished themselves in conducting family education and many parents who have brought up their children properly have emerged.

The congress will elect the executive council of the CFES for the next term of office and hold a theoretical seminar on such special topics as "parents' concepts and orientation regarding education, family education under the conditions of a socialist market economy, family education in rural areas and among minority nationalities, family hygiene and health care, and children's nutrition."

### Laser Disks of Deng's Original Speeches Distributed

*OW2309175994 Beijing XINHUA in English 1448 GMT 23 Sep 94*

[Text] Beijing, September 23 (XINHUA)—A set of laser disks containing recordings of some original speeches by Deng Xiaoping were sold at home and abroad from today.

The disks, including one for collection and another of superines were edited by the Central Archives and examined by the Party Literature Research Center of the Chinese Communist Party Central Committee.

One of the "Voice of the Giants" series, recordings of Deng's speeches were brought out by a company in south China's Shenzhen City, which has also produced discs with excerpts from speeches by the late Chinese leaders Mao Zedong and Zhou Enlai.

The latest disks collect 10 speeches by Deng between March 1978 to September 1985.

Among them are speeches made at the celebration of the 35th anniversary of the People's Republic of China, the opening ceremony of the National Scientific Conference in 1978, and the 12th Congress of the Communist Party of China.

### Officials: Scholars Pay More Attention to Practical Studies

*OW2309181194 Beijing XINHUA in English 1429 GMT 23 Sep 94*

[Text] Beijing, September 23 (XINHUA)—China's first-rate scholars are centering on more practical issues concerning the socialist market economy, an official said here today.

"The main subjects under exploration include the theory of building socialism with Chinese characteristics, the theory of the market economy, ownership in the primary stage of socialism, socialist democracy, reform of the political structure, material and ethical progress, and so on," said Ge Liangzhi of the Chinese Academy of Social Sciences, adding that economists are the most active in this regard.

The academy, China's top social sciences institute, has worked out a reference frame for China's economic development in the 1991- 2010 period. The research is thought highly of by senior policymakers, Ge said, adding that the government also attaches importance to annual predictions made by the academy on the macro-economy.

Scholars have even participated in the making of major laws, including China's first agriculture law. Other popular topics are family relations, urbanization, the surplus rural labor force, Hong Kong, modern capitalism, and the situations in Russia and Eastern Europe.

"There are signs that, besides economics, more attention is being paid to research in sociology and political science," maintained Ge, who is responsible for the academy's research work.

"However, basic and traditional research, which are abstract, never cool down," Ge noted. "Scholars are still interested in literature, history, philosophy and archeology, and we are providing funds to encourage these studies."

He said that a group of scholars is deeply involved in research into Western philosophy and ideology.

"Most of the research subjects are decided by the scholars themselves. They can air their views through different channels," Ge said. "The state has adopted more and more suggestions proposed by scholars for the making of policies, laws and regulations."

### **Education Commission Circular on Education in Patriotism**

*OW2509134194 Beijing XINHUA Domestic Service in Chinese 2139 GMT 22 Sep 94*

[Text] Beijing, 23 Sep (XINHUA)— The State Education Commission [SEC] recently issued "Circular on Implementing the 'Program on Education in Patriotism'" urging education departments to implement the "program" in connection with the recently promulgated "Several Opinions of the CPC Central Committee Concerning Further Strengthening and Improvement of Moral Education at Schools," making education in patriotism an important part of moral education in schools and stepping up education in patriotism among youngsters in a down-to-earth manner.

The circular notes: The recent publication by the CPC Central Committee of the "Program on Education in Patriotism" was a major event in the construction of socialist spiritual civilization in China; it is also a major event for the education front. Patriotism has always been a banner for mobilizing and inspiring people of all nationalities to fight in unity, a formidable force that pushes Chinese society and history forward, and a common spiritual pillar for people of all nationalities across the country. Education in patriotism, which makes up an important part of moral education in schools, is of great significance for cultivating patriotism and the spirit of serving the country among youngsters, inspiring students to study hard for China's rejuvenation, and establishing the political orientation of working hard to build socialism with Chinese characteristics.

The circular urges education departments at all levels and schools of all types to conscientiously study the "Program on Education in Patriotism." In line with the "program," "Several Opinions of the CPC Central Committee Concerning Further Strengthening and Improvement of Moral Education at Schools," "Outline on Enhancing Education in the Contemporary and Modern History and the National Conditions of China in Primary and Secondary Schools" promulgated by the SEC, and other documents, we should develop as quickly as possible a serial, step-by-step education program based on the contemporary and modern history and the national conditions of China that covers all phases of schooling from kindergarten to college. We must see to it that education in patriotism will run through the classroom instruction as is required by the "program." Institutes of higher learning should strengthen the contents of patriotic education in theoretical and ideological

courses. Meanwhile, efforts should be made to open more elective courses in history, culture, fine arts, ethics, and science and technology and sponsor special lectures focused mainly on education in patriotism. We should step up education on China's superior culture, ethics, and traditions as well as education on national conditions, taking into account the peculiarities of the different phases of schooling. We should further improve such institutions as flag raising and lowering, singing of the national anthem, and the hanging of pictures of distinguished Chinese characters. All schools from colleges down must step up extracurricular educational activities. More efforts should be made to expand off-campus centers of education in patriotism.

The circular stresses that it is necessary to make education in patriotism a major component of inspection and evaluation of institutes of higher learning and supervision of primary and secondary schools to ensure that the education is thoroughly imparted and yields tangible results.

### **Meeting Calls For Intensifying Rural Education Reform**

*OW2409082994 Beijing XINHUA Domestic Service in Chinese 1009 GMT 22 Sep 94*

[By RENMIN RIBAO reporter Li Hongwei (2621 1347 0251) and XINHUA reporters Yin Hongzhu (1438 7703 4376) and Wang Yujuan (3769 3768 1227)]

[Text] Shijiazhuang, 22 Sep (XINHUA)—The national conference on comprehensive education reform in rural areas began in Tangshan today. The meeting, which is called by the State Education Commission [SEC], will discuss ways and means to implement the "Outlines for Educational Reform and Development in China" and deepen comprehensive education reform in rural areas in accordance with the guidelines laid down by the national education conference.

Making a report at the meeting, SEC Vice Minister Wang Mingda said: The main problems concerning the universalization of nine-year compulsory education, elimination of illiteracy among adults, and development of vocational and adult education are all in rural areas. The fundamental way to address these problems lies in deepening education reform in rural areas. For a long time, the rural areas' educational structure has been irrational, their vocational and adult education has been inadequate, the quality of their basic education has been low, and professionals are scarce in rural areas. These problems are even more serious in economically underdeveloped areas. Thus, comprehensive education reform in rural areas is both urgent for rural areas' modernization and a strong desire of the peasants.

In 1987, the SEC began to experiment with comprehensive education reform in some poor counties in Hebei Province, then it forwarded the "Prairie Fire Program" to be carried out nationwide. So far, educational reform

experiments are being conducted in 656 counties, and 7,056 townships have been designated to demonstrate implementation of the Prairie Fire Program. Efforts are being made to steadily promote these projects in other parts of the country. The efforts made in the past several years have yielded some results invaluable for developing education in rural areas: The concept of education has changed. In addition to simply helping students enter schools of higher grades, people now understand that rural education should primarily be one that serves local construction; that rural areas' education systems must be restructured so that basic, vocational, and adult education are planned as a whole and will develop in a coordinated manner; and that education should be merged with agricultural production and scientific research to serve rural construction, revitalize the rural economy, and promote social progress. On the other hand, the Prairie Fire Program has improved the rural workers' competence and expedited the popularization of practical technical skills. Moreover, because of the participation of colleges and research units, rural areas' comprehensive education reform has become more efficient.

Wang Mingda stressed: The main tasks from now on include providing stronger leadership over comprehensive education reform in rural areas; increasing the reform's intensity; continuing to plan agricultural, scientific, and academic education as a whole; actively promoting the merger of agricultural production, scientific research, and education; earnestly promoting the Prairie Fire Program; accelerating the process of spreading experiences of success; and gradually establishing a system under which all kinds of schools in rural areas will yield better educational results.

During today's meeting, the SEC honored Beijing's Changping County and 203 other units for their fine performance in promoting comprehensive education reform in rural areas.

#### Workers' Self-Government Alliance Issues Peace Declaration

HK2609034694 Hong Kong MING PAO in Chinese  
19 Sep 94 p b6

[“'94 Peace Declaration by the Chinese Workers' Self-Government Alliance”]

[Text] “A single spark can spark a prairie fire.” “Where there is oppression, there is resistance.” Worker brothers and sisters across the country, 4 June this year is the fifth anniversary of the 4 June event of 1989. To always remember the people who heroically gave their lives in the fight for the legitimate rights and interests of the worker compatriots, and for democracy, freedom, and human rights, we here publish our “'94 Peace Declaration” (that is, the Human Rights Declaration).

We, worker brothers and sisters, need “peace” and love “stability,” but since the founding of the People's

Republic of China, there never has been any “peace and stability.” A case in point was the Anti-Rightist movement in 1957, the Great Leap Forward in 1958, and the “Three Great Banners,” which started in 1958. The three years of man-made disasters from 1960 to 1963, and the socialist massive canteens practice left 25 million people starved to death. The 1966-76 Great Cultural Revolution brought the national economy to the brink of collapse. The economic reform, which began in 1979, brought economic improvement. Nevertheless, because economic reform was not carried out thoroughly, political corruption and a new privileged class—the princes' faction—have emerged. The faction is China's future privileged monopoly capital class. With the emergence of this faction, state-owned funds—the money the people earned through hard toil—all has gone into the pockets of its members. Up to this day, all bankrupt state-owned enterprises have been unable to pay out wages to their workers. This is a case in point. The privileged class is the people's archenemy. One-party rule is its protective talisman. Judging from this, is it not precisely the case that the ordinary people live in constant fear? Under these circumstances, is there any room to speak of a “stable” life, or about the state prospering and the people enjoying “peace?” The 4 June event has fully revealed the rulers' features. Therefore, economic and political reform should be carried out simultaneously. Only when “human rights, democracy, and freedom” are guaranteed and the privileged class is eliminated can the soil in which corruption breeds be eradicated thoroughly, can everyone be ensured equality, can the working class' most basic rights and interests (employment, pension, medical treatment, labor protection, and protection of women and children) be guaranteed, and can we live and work in peace and contentment. However, things have gone contrary to one's wishes.

We remember the Christian Bible as saying: “God has created mankind and vested in man the rights to subsist and live.” In China, however, we do not have the freedom of speech and association. Then to whom should we pour out our sufferings and sorrows? How will the freedom of speech and association formulated in the Constitution be embodied? Can the government attach importance to our personal demands? It cannot. Now that individual actions cannot play any role, we, the working class, should unite and form a collective. In this way, we will have a force not to be ignored, a force the government and enterprise owners fear most. Otherwise, we will continue to be enslaved, crazily plundered, and exploited—as was done by capital during the early years of its accumulation—and we will be subjugated at will to manpower cuts and humiliation. Of the current large, medium-sized, and small enterprises, 85 percent are operated badly. Nevertheless, the rulers and managers stressed that this state of affairs was unavoidable in the course of reform, rather than making self-criticism of their mistakes. Consequently, they began to lay off workers in large numbers, and moreover, even asked all

workers to return home and seek their own jobs, with severance pay of just about 500 yuan (which was termed by the State Ministry of Labor as a job-seeking fee). Moreover, some enterprises did not pay a single cent to their staff members and workers in the good name of having holidays. Once an announcement was made, the holidays would last for more than five months at a go. We workers, however, want to keep alive and bring up our children. We would like to ask: On what should we rely in supporting ourselves and our families?

As far as the above-mentioned facts are concerned, we worker compatriots have our own personal experiences. Hence, there are only two roads lying before us: One is that we worker compatriots unite as one and have our voice heard: "We want jobs. We want to live." The other road is that of enslavement, and of letting them continue to dictate us; it is a road leading to death. Therefore, the Chinese Workers' Self-Government Alliance is willing to unite with the worker compatriots as one, and to stick together—in life and death—to take the first road. Our slogan is "Petition for the people with utter devotion and by braving untold dangers."

We hope all worker compatriots across the nation will unite under the promotion of the Chinese Workers' Self-Government Alliance, get organized, and work hard to struggle for the working class' own rights and interests. Worker compatriots, we need the rights and interests that ought to belong to us. We oppose tyranny and enslavement. We need human rights, democracy, and freedom. We oppose privilege and autocracy. We are willing to accomplish our demands through peaceful negotiations. To put it another way, "give us the right to work and live." However, if the government abuses power against us, we, the Chinese Workers' Self-Government Alliance, will not rule out the possibility of our organizing rallies, processions, and strikes. This is the best form with which we worker compatriots express our wishes.

Here, it is our hope that the government will make a wise choice, and it is also our hope that the government's wise choice will be of benefit to both the country and the people.

Worker compatriots, let us unite for our own salvation and blaze a path of our own.

The working class is a great class!

The working class is the first to awaken!!

[Signed] The Organization Committee of the Chinese Workers' Self-Government Alliance  
Beijing, 15 March 1994

#### CPC Propaganda Dept Steps Up Control Over Media

HK2609053794 Hong Kong SOUTH CHINA MORNING POST in English 26 Sep 94 p 9

[By Willy Wo-Lap Lam]

[Text] The Communist Party Propaganda Department has tightened censorship of the media in an effort to promote stability and silence "discordant voices". State control over the media has been stepped up in the wake of a seminar on the subject last week, which was attended by leading propaganda cadres from large and medium-sized cities. At the conference, held after the shooting incident in Beijing last Tuesday, Propaganda Chief Ding Guangen laid down comprehensive guidelines on ways in which the national and regional media should check with central authorities before releasing "potentially destabilising news".

A party source said yesterday that the autonomy of the media was further curtailed as the Propaganda Department and related units were given more powers to vet practically all political stories. "For events including the forthcoming National Day celebrations, national and local media are asked to use the official XINHUA (NEW CHINA NEWS AGENCY) wire," the source said. "Editors are told to check with the Propaganda Department when they have doubts about scheduling individual stories."

Censorship on economic stories has also been boosted to help "unify the national will" in fighting inflation. The activities and speeches of liberal economists including Beijing University professors Li Yining and Xiao Zhuoqi have largely been ignored by the official press.

Beijing is also poised to tighten regulations against the "infiltration" of foreign publications and broadcasts. Central and local authorities have indicated they will more toughly implement the ban on the unauthorised setting up of satellite dishes by private households and business units. Since Beijing passed the regulation last summer many localities have been less than enthusiastic in taking down "illegal" satellite dishes. Aside from bureaucratic inertia against carrying out the unpopular regulation, a number of ministries and departments are reluctant to close down the hundreds of factories that manufacture equipment for receiving foreign broadcasts.

At the same time, the prospects for Beijing approving joint-venture media companies have dimmed further. Propaganda cadres in Beijing have recently cited the examples of Singapore and Malaysia in justifying the clampdown on the "infiltration" of foreign media. "I am not optimistic about the future of Sino-foreign and Sino-Hong Kong publications in the near future," said a Beijing-based propaganda official. "Every country has its policy to protect the domestic media," he said.

Sources said the Beijing leadership has decided to postpone for the foreseeable future the drafting of a law on journalism. This is despite the fact that the first drafts of the law had appeared as early as 1985.

#### Evening Party on 4 Oct To Mark National Day

OW2409081994 Beijing XINHUA in English 0746  
GMT 24 Sep 94

[Text] Beijing, September 24 (XINHUA)—China will stage a grand evening party in Beijing on October 4 to mark the 45th anniversary of the founding of the People's Republic.

At the party, sponsored by the Propaganda Department of the Central Committee of the Chinese Communist Party and four government departments, 10,000 workers, peasants, soldiers, students and officials will join singing on the stage.

Dozens of revolutionary songs will be included.

The party will be held in the workers' stadium in east Beijing. Workers are busy in making preparations to install light and sound facilities, sources said.

The party is expected to be attended by high-level government officials, according to the sources.

#### Bureau 'Account Book' Notes National Expenditures

*OW2509184794 Beijing XINHUA Domestic Service in Chinese 2107 GMT 22 Sep 94*

[Article by XINHUA reporter Zhang Jinsheng (1728 6930 0524): "An 'Account Book' of the Republic's Expenditures (A National Day Special)"]

[Text] Beijing, 23 Sep (XINHUA)—Placed in front of me was an "account book" of New China's expenditures over the past 45 years provided by the State Statistical Bureau. The book contains a collection of figures recording the progress of the republic's continuous development and growth, as well as the process of efforts made by hundreds of millions of its people to create material wealth.

With the world praising the earth-shaking changes taking place in China, it is not hard for people to imagine that these great changes were a result of splendid construction achievements. No other expenditures incurred by the Republic exceed the amount of its construction input. China's cumulative investments in fixed assets over the past 45 years have reached 6.5 trillion yuan. Of this, 4.4 trillion yuan were invested by state-owned units in fixed assets. Construction of 5,079 large and medium sized projects and over 1 million small-sized projects—which have all been put into operation—as well as the construction of various houses with a floorage of 3.7 billion square meters—almost equivalent to eight times the floorage of the houses available in the early period after the founding of the people's Republic—was completed.

Leading the list of the republic's expenditures was a huge amount of input to expand the production capacity of various economic sectors. State-owned units spent 2.788 trillion yuan on capital construction between 1950 and 1993. They completed the construction of more than 3,500 large and medium size industrial projects and, as a result, increased steelmaking capacity by 43.61 million tonnes, or 71 times that of 1950; the capacity of power-generating stations by 16,374 million kw, or 88 times that of the early period after China's liberation; cement production capacity by 10,371 million tonnes, or 157 times that of 1949; cotton-yarn spinning capacity by 144,300 spindles, or 2.9 times that of the eve of China's

liberation; and oil exploitation capacity by 296.83 million tonnes, with the completion of the construction of large oilfields such as Daqing, Shengli, Jidong, Dagang, and Zhongyuan. In addition, China invested as much as 177.3 billion yuan in building railways; the mileage of new railways in service exceeded 30,000 km, more than double that of 1952.

The second largest item on the list of the republic's expenditures was the input for technical transformation. More than 1.5 trillion yuan were used by China's state-owned units to carry out technical transformation over the past 45 years. The expenditures increased the quantity and greatly improved the quality of China's technical equipment. A large amount of industrial equipment in China was upgraded to advanced international levels in the early eighties through technical transformation. Regarding such equipment, 12.9 percent of the production facilities of enterprises of the heavy industry sector reached international levels, and 21.8 percent of such production facilities reached advanced domestic levels. The auxiliary capacity for machine-building and electronic equipment and for high-technology products needed by every sector of the national economy was also greatly enhanced.

The third largest item on the list of the republic's expenditures was the input for improving the people's living standards. In the past 45 years, China invested 829.4 billion yuan, or 29.7 percent of its total investment amount, in capital construction projects not engaged in the production of goods and materials. Of this, 328.9 billion yuan, or 11.8 percent of the abovementioned investment amount, were invested in building housing units. Construction of housing units with a floorage of 1.6 billion square meters was completed, and tap water and gas were made available to 92.5 percent and 56 percent of urban residents, respectively. China has invested 188.4 billion yuan, or 13.6 percent of the total amount of its industrial investment, in capital construction for light industry in the production of consumer goods to meet the daily needs of the people. Sectors devoted to producing televisions, refrigerators, and videocassette recorders developed from scratch, and their production capacity increased year by year.

In addition, at present, the state has invested more than 50 billion yuan, or over 10 percent of its revenues, in educational development. From 1979 to 1993, the state appropriated 165 billion yuan for science and technology development.... [ellipses as received].

The figures mentioned here are merely selections from the "account book" of the republic's expenditures. In addition, the amounts of funds committed by the Republic to agriculture, science, culture, public health, national defense buildup, and various other fields were enormous and beneficial. All of these expenditures and their resultant production helped lift China from a backward state of poverty and emptiness, once and for

all. Practice has vividly shown: If we do not practice plain living and work hard today, tomorrow will not be more beautiful than today.

### Film Director Zhang Yimou Compelled To Make Self-Criticism

HK2609033494 Hong Kong MING PAO in Chinese  
20 Sep 94 p B16

[Report: "Noted Film Director Zhang Yimou Reportedly Compelled To Make Self-Criticism"]

[Text] Since it was said that Zhang Yimou had been forbidden to make films for foreign-invested companies and that the new film "To Live" had been shelved, outsiders have been much concerned about what has happened.

It is reported that yesterday, Zhang Yimou submitted a self-criticism admitting his mistakes. One was that he should not have held a meeting himself to show his film "To Live" on a trial basis, prior to submitting it for official examination, thus creating a bad impression. The second was that "To Live" was sent to the film exhibition in Cannes without submitting it for official examination, and he himself did not do any necessary communication or persuading work.

In addition, in his self-criticism, Zhang Yimou also said that a director should not be held responsible for anything other than the art of a film, and that sending a film to an exhibition or putting it on commercial sales were the business of the film businessmen and had nothing to do with him.

In his self-criticism, Zhang Yimou also said his not attending the film exhibition in Cannes was already an expression of his attitude and of his respect for the examination departments. Later, he again refused to be interviewed by the press and declined the intended appraisals by the president of the (Norcalu) [nuo ka lu 6179 0595 4151] Film Festival Committee of Switzerland and the Venice Film Festival. In addition, during this period, he declined the invitations of more than a dozen of countries. All this was to safeguard the image of the country. Zhang Yimou pointed out that there were some errors concerning "To Live," but he hoped that departments concerned in China could leave one side of the net open and allow him to resume work in making the film "Shanghai." It is believed that a reply on whether or not the departments concerned in China will accept his self-criticism will come in a few days.

### Former Cultural Minister Criticizes Book 'Third Eye'

HK2609083694 Hong Kong MING PAO in Chinese  
25 Sep 94 p b11

[Report: "Former Cultural Minister Wang Meng Says 'Third Eye' Is a Strange Book, Criticizes Viewpoints of Negating Reform and Showing Contempt for Peasants"]

[Text] Wang Meng, a famous Chinese writer and former minister of culture who stepped down from office after the 4 June Incident, has written an essay in the latest issue of the magazine DUSHU [READING BOOKS], which will soon be published, commenting on the book *Looking at China With a Third Eye*, which has attracted wide attention and has become controversial at home and abroad. In his essay, Wang Meng described it as a "strange book" and calmly points out and criticizes the book's viewpoints of showing contempt for peasants, being hostile to intellectuals, negating reforms, and going against the contemporary trend in China.

### He Does Not Agree With the Viewpoint That "Reform Leads to Disaster"

The book 'Third Eye' says that "reform will lead to disaster because it is not only affected by international trends and is developing blindly but it is also something strongly subjective being based on the ideas of some people in power and, more terribly, something involving the masses." Against this point of view, Wang Meng puts forward three points: "First, if reform would trigger off disasters, then what about no reform at all? Would the situation be stable and unshakable if there was no reform? This is something like taking medicine to cure a disease. If one takes the wrong medicine, the condition may become worse. So, it is completely necessary to remind people to be careful when taking medicine but can one be advised not to receive any medical treatment if one is ill? Second, so far, has the reform in our country ever been 'blindly affected' by the international trends? History over the past 100 years and more shows that our social body has the ability to make selections in the international trends. Moreover, were the impacts of the international trends completely negative or basically negative? If that is the case, maybe we have to reach the conclusion that the maintenance of the Qing Dynasty would be less 'blind.' Third, if mass participation and the initiative taken by the people in power may make things subjective, then what do we do? Is there no way out? Can the great changes in China over the past more than 10 years be regarded as 'subjective' or 'disastrous'? Can one imagine a pattern of reform based on the combination of the leaders and the masses in a both democratic and centralized way? Did the author look forward to reform and call for stopping reform by raising such a viewpoint of negating mass participation."

Wang Meng said that the author of the book expressed an even more unusual point of view on intellectuals. He said that the author used a "theory of power" or even the standard of "emperors' ruling skills" to approach China's intellectuals. In the book, the main grounds used by the author to scorn and belittle China's intellectuals is their behavior in the "anti-rightist campaign" in 1957 and in the 4 June Incident in 1989. Wang Meng, who was labelled as a "rightist" in 1957 and was dismissed from ministerial office after the 4 June Incident, did not fiercely criticize the author's viewpoint; instead, he repeated the stereotyped remarks about the positive

significance of respecting knowledge and respecting people of learning in the process of modernization and in social progress. It seemed that Wang Meng did not think that the intelligentsia should take certain initiatives and play certain political roles in the course of social progress.

#### **The Book Adopts a "Superman's" Point of View Toward Peasants**

By contrast, Wang Meng made a stronger reaction to the author's contempt for and fear of the peasants. Wang Meng satirized the author's viewpoint on peasants and described it as a "superman's" viewpoint. The author of 'Third Eye' said that Mao Zedong's agricultural policy locked the peasants to the land and reform released the peasants. Then the author hinted that the peasants' greed and desire to gather wealth are akin to the devil in the bottle which has now been released by reform and opening. The author even said that "peasants should be left hungry for a few more years." Wang Meng said: "In front of this superman, the peasants indeed have to shiver while tightening their belts." Wang Meng said that the author's attitude toward the peasants was extremely horrible.

The whole essay by Wang Meng shows that although he did not agree with many viewpoints in the book, and was even disgusted by some of them, he still said that the book "displayed the unique and fearless style of the younger generation that may surpass the older." Wang Meng said that when reading the book he "was sometimes excited and appreciated the author's thinking but at other times he was perplexed or even frightened." Wang Meng then summed up the style of the book as follows: "First, the author was bold in expressing opinions on almost everything; second, he tried to use the most sensational remarks; third, the wording was incisive and penetrating; fourth, on certain points, there were profound ideas (maybe profound one-sidedness or one-sided profoundness in the discussion on some subjects); fifth, on certain points, the author wrote in an unconstrained and supercilious way; and sixth, although some Western terminology was used, the book was generally written in a Chinese style with ease and grace."

#### **Style of Being Unconstrained and All-Inclusive**

Wang Meng said: "Although the book was written in a somewhat exaggerated style, in general, it was still written quite seriously. Reform being different from no reform, allows criticisms. If the power politics and conservative politics which the author advocates still held the predominating position, and if there had been no reform in our country over the past more than 10 years, this book would merely be regarded as a total 'heresy' and its author or translator would only end up 'committing suicide.' The book was also brought about by the reform and marked as a 'breakthrough' in the bottleneck. So it should not just be regarded as a devil."

#### **Recently Found Articles by Sun Yat-sen Published**

*OW2609063894 Beijing XINHUA in English 0610  
GMT 26 Sep 94*

[Text] Shanghai, September 26 (XINHUA)—A book containing some 650 newly found articles with 350,000 words written by Sun Yat-sen, the great forerunner of the democratic revolution in China, have been published by the Shanghai People's Publishing House.

The articles include Sun's lecture on three people's principles (nationalism, democracy, and people's livelihood) made in Japan in October 1905, lecture at a meeting memorizing Lenin in February 1924, and talks with the early Communist Party leaders.

The articles were collected by 72-year-old Wang Gengxiong, who has been engaged in collecting and determining the materials of Sun Yat-sen, including his articles and photos, for over half a century.

In 1990, Wang published some 1,574 articles by Sun, which have not been compiled either in the mainland-published Sun's complete collection or in the collection published in Taiwan.

Adding the newly published 650, more than 10,000 Sun's articles have come off the press.

#### **Books on Life, Work of New China Founders Published**

*OW2409072094 Beijing XINHUA in English 0649  
GMT 24 Sep 94*

[Text] Beijing, September 24 (XINHUA)—A series of books, titled *Stories of the Leaders of the People's Republic of China*, have been published and are now distributed across the country.

The series include stories of the late Chairman Mao Zedong, the late Premier Zhou Enlai, the late Chairman Liu Shaoqi, Zhu De, the late chairman of the Standing Committee of the National People's Congress, and the stories of Deng Xiaoping.

Stories of Chen Yuan are now being compiled.

The series of books, each with 50 photos and 50 stories, depict the moral characters, work styles and lives of the founders of New China, as well as the friendship among them and the feelings they cherish for the people.

The series were compiled by the Party Literature Research Center of the Chinese Communist Party Central Committee and published by the Zhejiang People's Fine Arts Publishing House.

#### **XINHUA English Marks 50th Anniversary of Service**

*OW2309144194 Beijing XINHUA in English 1408  
GMT 23 Sep 94*

[Text] Beijing, September 23 (XINHUA)—Nearly 200 people from the mass media in Beijing gathered here

today to mark the 50th anniversary of the XINHUA NEWS AGENCY's English-language wire service.

On September 1, 1944 XINHUA sent its first English story through morse code to San Francisco in the United States, opening the history of XINHUA directly offering information to the outside world. Based in the caves of Yan'an in north China, then the headquarters of the communist-led revolutionary base, XINHUA beamed seven to eight stories a day, aimed at informing the outside world of the progress of the anti-Japanese war in China.

Among those present at the gathering were veteran journalists who worked in Yan'an in the 1940s, senior editors, and officials and spokesmen of several government ministries.

The eldest participant was Wu Wentao, 81, the only survivor of the four journalists, including a foreign publisher, who started the English service. He recalled the working conditions in the caves half a century ago.

Guo Chaoren, president of the XINHUA NEWS AGENCY, told the gathering that today XINHUA, China's biggest information organization, offers foreign services on domestic and international affairs in the Chinese, English, French, Russian, Spanish and Arabic languages, as well photo and feature services.

XINHUA's foreign service has become a major window for the outside world to get to know China in the world context, he said.

He added that XINHUA's foreign service should serve China's opening-up and help create a better international environment for China's modernization drive. It should also serve to promote world peace and development, and the establishment of a just and reasonable world political, economic and information order.

#### Army Shooting Ranges Ignore Government Directive

HK2509051394 Hong Kong AFP in English 0254 GMT  
25 Sep 94

[By Philippe Massonnet]

[Text] Beijing, Sept 25 (AFP)—The gunman who randomly killed ten people on a Beijing street last week did so as police in China face a proliferation of armed crimes despite recent attempts to crackdown on gun-trafficking.

"It's like before," said an employee of the Beifang shooting range north of Beijing, one of the best-equipped of the 150 such centers which have sprung up in China in recent years. "Like before" means that customers can shoot AK-47 assault rifles, rocket-launchers or heavy machine guns, despite a decree issued by the police ministry in November outlawing military weapons in the shooting ranges.

"If the new regulation is violated, the shooting ranges will be closed and their owners penalized," according to the directive, aimed at curbing the burgeoning traffic in weapons. However, almost a year later, the Russian-made Kalachnikov rifle is still being fired on the shooting ranges, as most of them belong to the Chinese army and are a valuable source of revenue.

The Beifang range receives about 100 customers a day, Chinese and foreigners, who each spend several hundred yuan (12 dollars per 100 yuan).

"One firing of a rocket-launcher cost me 560 yuan (65 US)," said one foreign resident who went last month.

About 100 kilometers (60 miles) south of Beijing, in Hebei province, is the famous Baigou market offering all sorts of items, from fake Rolex watches to real pistols, which one can buy and resell without a permit.

Ten people were killed and 40 injured in the attack in Beijing Tuesday, when a Chinese army lieutenant, identified as Tian Mingjian, opened fire on cars at random with an AK-47 outside a compound housing foreigners. The rampage lasted for around 10 minutes before police reinforcements arrived and shot the killer dead.

Last month, the government launched yet another campaign against the illegal possession of firearms, ordering factories making civilian weapons to cease unauthorized sales. But at a time when there is pride in making money and struggling state companies are trying to survive, it is feared that this order will be ignored as well.

A police crackdown in 1992 yielded 400,000 illegal weapons, 7,000 of which were military models, but this failed to stop a growing traffic pushed on by the rise of Hong Kong and Taiwan-based triads in the country. The Beijing Youth News described Thursday how the powerful Chinese mafia, such as the notorious 14K triad in Hong Kong, has been expanding its presence in the southern provinces for the last 10 years. Violent and triad-supported gangs are polluting China, the paper said, citing law enforcement officials in southern Guangdong province, who said that "drugs and weapons traffic organized by the triads seriously threatens social order."

Many of the hold-ups and crimes committed in Hong Kong were committed with weapons stolen in China, according to police in the colony. In a recent report on maritime trafficking in the first half of this year, Chinese customs officials expressed concern about the heightened smuggling of firearms, although they released no figures.

The rise in the official crime rate, especially in armed attacks, confirms the increasing use of firearms, not only in the big cities but smaller towns as well, which are frequently reported in local newspapers.

**Correction to Beijing Gunman Identified**

HK2309040894

The following correction pertains to the item headlined "Beijing Gunman Identified as PLA 1st Lieutenant," published in the 22 September China DAILY REPORT, page 30:

Second column, first paragraph, first sentence make read: ...passers-by between Beijing's Jianguomen and Yabao Road... (correcting spelling of Jianguomen)

Third paragraph, second sentence make read... Li Runwu and Meng Xuenong made a special... (correcting spelling of Meng Xuenong)

**Science & Technology****Report Details 'Strategic Change' in Nuclear Industry**OW2509014594 Beijing XINHUA in English 0106  
GMT 25 Sep 94

[By Li Zhurun and Han Zhenjun: "Nuclear Industry Completes 'Strategic Change'"]

[Text] Beijing, September 25 (XINHUA)—Most of the 300,000 employees involved in China's nuclear industry have evacuated from their bases in deserts or mountains for cities or coastal areas, indicating completion of a "strategic change" for the industry which used to concentrate on military production but has switched more and more to civilian needs.

"For decades the industry was kept in tight secrecy, and it is now serving peaceful purposes and opens to the world," said Jiang Xinxiang, general manager of the China National Nuclear Corporation (CNNC).

CNNC, a large industrial enterprise group directly under the State Council, is the successor of the Ministry of Nuclear Industry which built China's first atom bomb, hydrogen bomb and nuclear submarine.

"Most of the nuclear factories are closed or have stopped operation," Jiang said. "Military production has been reduced to the minimum on state orders. The bulk of the industry is serving the needs of China's economic construction and people's daily needs."

Goods and services provided by CNNC for civilian use now account for 75 percent of CNNC's gross output which has grown at an annual average rate of 30 percent since the nation started to implement the policy of reform and opening to the world in 1979.

The industry is producing 1,500 kinds of products, ranging from metal fault detectors to fire alarms which use radioactive materials, as well as things not related to nuclear technology, such as chemical fertilizers.

Nevertheless, said Jiang, "Development of nuclear electric power is our main task."

China now has two nuclear power stations in commercial production—the 300,000 kw Qinshan station in Zhejiang Province designed and built by itself and the Dayawan station with two 900,000 kw generating units which were imported from France and Britain.

"The enthusiasm in building nuclear power stations is growing," he said. "Fifteen provinces and municipalities, including Liaoning, Jiangsu, Shandong and Shanghai have expressed their wish to build such power stations or are making preparations for their construction."

To prepare the country for the next century, the "era of nuclear power," China is building a network of factories producing nuclear fuel and fuel elements, the heart of nuclear electric power station reactors.

"China will keep a task force of nuclear scientists and engineers to be commensurate with its status as a nuclear power, and development of nuclear electricity in part serves that purpose," said Jiang, who doubles as director of China's State Atomic Energy Agency.

China has sold to Algeria a heavy water reactor for research, and is building a 300,000 kw nuclear power station for Pakistan. In line with the principle of using atomic energy for peaceful purposes, it has relations of nuclear exchanges and cooperation with more than 40 countries, and CNNC has trade relations with over 100 companies throughout the world.

**Guangdong To Open First 'Information Expressway'**OW2409105194 Beijing XINHUA in English 0959  
GMT 24 Sep 94

[Text] Beijing, September 24 (XINHUA)—A large-capacity synchronous fiber-optical telecommunication system between Guangzhou and Shantou cities in south China's Guangdong Province will be put into full operation on September 27.

The system is believed to be the first information expressway in China.

The Guangzhou based GUANGDONG-HONG KONG INFORMATION NEWS reported that the system, costing 33.3 million yuan (about 3.87 million U.S. dollars), will line up 15 telecommunication stations along a total length of 540 km.

Construction of the project started in July this year, with joint efforts from the Siemens Company of Germany, the Guangdong Provincial Posts and Telecommunications Administration and the South Transmission System Company Ltd.

The system will be able to double the original communication capacity of 41,580 lines. As a result, long-distance telecommunications tension in the eastern Guangdong will be eased to great extent.

The newspaper said that construction of another two large-capacity telecommunication channels, Guangzhou-Macao and Huizhou-Shenzhen, is well under way.

## Military

### PLA Issues Circular on Patriotic Education Program

OW2309203494 Beijing XINHUA Domestic Service in Chinese 1129 GMT 22 Sep 94

[Text] Beijing, 22 Sep (XINHUA)—The People's Liberation Army [PLA] General Political Department recently issued a circular, outlining plans for implementing the CPC Central Committee's "Program on Education in Patriotism," and calling on party committees and political organs at all levels in the Army to attach great importance to, and to pay close attention to implementing the program in close conjunction with the realities in Army units.

The General Political Department's circular says: The CPC Central Committee recently printed and distributed the "Program on Education in Patriotism," drafted by the Central Propaganda Department, and demanded that education in patriotism be launched throughout the country. This is a measure of great importance taken by the party Central Committee, with Comrade Jiang Zemin as the core, to further intensify the building of socialist spiritual civilization and to promote reform, opening up, and modernization construction in line with Comrade Deng Xiaoping's important thought about fostering patriotism. All Army units must resolutely implement the program to the letter.

The circular says: The "Program on Education in Patriotism"—which expounds incisively the great significance of strengthening education in patriotism under the new situation; and which clearly defines the basic principles, main contents, and major targets of the education as well as series of specific measures of conducting the education—provides the basis for conducting education in patriotism. Implementing the program and ensuring success of this basic project under the new historical condition can help foster the correct ideals, conviction, outlook on the life, and value concepts for the healthy growth of large numbers of officers and men; it can also help Army units intensify the building of socialist spiritual civilization, enhance their cohesiveness and combat effectiveness, and victoriously fulfill various tasks entrusted upon the Army by the party and the people. Party committees and political organs at all levels must place education in patriotism on the top of the agenda for ideological and political building of troops, and must make relentless efforts to conduct the education.

The circular points out: In implementing the "program," all Army units must take Comrade Deng Xiaoping's scientific theory and the party's basic theory as the guide, particularly emphasizing the special features of reform and opening up in our times and the theme of building

socialism with Chinese characteristics in guiding officers and men to identify their love for the motherland with that for the CPC, socialism, and the PLA; and to become revolutionary soldiers who have ideals, general knowledge, and a sense of morality and discipline. In educating troops in patriotism, it is necessary to proceed from the actual condition of troops and conduct the education in the light of the realities of the Army's fundamental duty, the tasks of Army units, and the thinking of officers and men. Large numbers of officers and men should be organized to study once again the Chinese nation's longstanding history and brilliant culture, and to familiarize themselves with the motherland's landscape and with the various Chinese nationalities' outstanding contributions to human civilization. They should study Chinese history, especially modern history; and to understand the Chinese people's heroic spirit of fighting against foreign aggression and corrupt rulers, especially the noble spirit and outstanding exploits of the Chinese people in their protracted bloody struggle, led by the CPC, for national independence and liberation. They should study the PLA's fine traditions, the Army's nature and objective, as well as its glorious combatant course of growing to maturity and continuously winning victories under the CPC's leadership. They should study the party's basic line and understand China's great achievements in reform and opening up and its magnificent modernization program. They should study knowledge of national defense and clearly understand their sacred duty of safeguarding national sovereignty and territorial integrity. Through study in these areas, officers and men can enhance their profound feelings for the great motherland; can foster national confidence and pride; can further strengthen their conviction in building socialism with Chinese characteristics; and can bring into better play the spirit of dedicating themselves to national defense, cherishing the Army and studying combatant skills, and being ready to make sacrifices and endure hardships at anytime; thereby contributing to the building of a modern, regular, revolutionary army. The education must be aimed at different categories of troops and be conducted in various areas. Efforts must be made to carry out the education in a regular and systematic manner.

The circular urges all Army units to improve, and broaden the scope of basic teaching materials and facilities of education in patriotism. It is necessary to provide flexible and diversified teaching materials to help large numbers of officers and men learn about the tradition and knowledge of patriotism, and to be inspired by patriotism. Patriotism should be the top priority of the Army's news and publications and cultural work. The Army's artistic troupes and literary and artistic creation departments should actively organize the production of works and performances propagating patriotism.

In conclusion, the circular calls on leading cadres and political organs at all levels in the Army to go deep to grass roots to conduct investigation and study, and to

step up inspection and offer concrete guidance so as to ensure that the education produces solid results.

### Military Institutes Reforms Education on Political Theories

OW2609105094 Beijing XINHUA Domestic Service in Chinese 0704 GMT 23 Sep 94

[Text] Beijing, 23 Sep (XINHUA)—Since the 14th national party congress, army colleges and universities have actively promoted reform in political theory courses and strengthened moral education; they have achieved remarkable successes in these respects.

In recent years, the Central Military Commission and the three general departments of the People's Liberation Army [PLA] have repeatedly and unequivocally made demands on further improving and strengthening political theory courses taught in colleges and universities in the new situation. They have emphasized that the general requirements on strengthening and improving the political theory courses are: to make such courses more current, relevant, and convincing by using Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as the fundamental guiding principle; by persevering in the principle of "being oriented toward the needs of the four modernizations, the world, and the future"; by implementing the principle of integrating theory with practice; and by "thoroughly studying and practicing Marxism and Leninism." Taking into consideration the realities of people for whom the education is intended and the requirements of the educational objectives, the PLA general departments have readjusted and unified stipulations for the political theory courses offered by PLA colleges and universities, and in accordance with a new program on setting up compulsory political theory courses, they have provided guarantees—in terms of course contents and hours—for arming students with scientific theories. Taking into consideration the realities facing them, some large units have adopted specific measures for deepening the reform of political theory courses offered by universities and colleges, and for carrying out the strategic task of arming students with Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics. Adapting to changes in the new historical situation, PLA universities and colleges have continuously updated and improved the courses and highlighted the theory of building socialism with Chinese characteristics—a core subject—in relevant curricula and courses. While continuing to conduct existing courses, elementary command academies, specialized technical institutes, and intermediate command academies have set up additional courses on "Deng Xiaoping's concept of army-building in the new period," "selected readings on Deng Xiaoping's works," and "the theory on socialist market economy." Revision, compilation, and publication in recent years of unified educational materials on seven major courses have satisfied the needs of reforming political theory courses taught in universities and colleges.

PLA universities and colleges—which have regarded efforts to send students to learn, through practical work in modernization, the theory of building socialism with Chinese characteristics as a major aspect of the reform of political theory courses—have often made arrangements for students to conduct investigations and study in factories, rural areas, and PLA units; to conduct study tours to sacred places and memorial halls of revolution; and to conduct social surveys in their hometowns during school breaks or undergo training in army units. They thus have enabled practical education in society, which is part of the political theory courses, to be conducted systematically, regularly, and sequentially. PLA universities and colleges have set up over 300 bases and as many as 1,000 contact points for practical education. By fervently conducting practical work in reform, opening up, and modernization, students have personally experienced how the party's line, reform, and opening up have brought great changes to the country and people's lives, and through such social practice, have found the correct answers to many questions that once puzzled them in schools.

PLA universities and colleges also have applied results from theoretical research to reform the political theory courses. Over 140 findings from research into political theories conducted by universities and colleges throughout the army have won state or military awards in recent years. Among these research achievements are: the unified compilation of teaching materials for major political theory courses offered by PLA universities and colleges; teaching materials, compiled by institutions, that are tailored to the special needs of all levels and types of universities and colleges; theoretical monographs that offer students an education in patriotism, national conditions, political faith, and outlooks on life and value; summaries of experiences and theories concerning the study of the law of education; and reference books that serve as ideological guides for students and are teacher-oriented. These research achievements, which directly serve education, have played a fine role in enlarging the effects of political theory courses and improving the ideological and political qualities of students.

Through reform of their political theory courses, universities and colleges throughout the army have implemented the strategic task of arming students with Deng Xiaoping's theory on building socialism with Chinese characteristics in a down-to-earth manner, and scored great successes in educating the students. Such successes have made the masses of students stancher in their conviction to adhere to the path of building socialism with Chinese characteristics and to the party's basic line, and further consolidated the ideological basis of enthusiastically endorsing and supporting reform and opening up, and devoting oneself to national defense. Many advanced models have emerged in this respect. This year, all graduates from the army academies in Shijiazhuang and Nanchang, the Armored Force Engineering Academy, the Artillery Academy in Zhengzhou, the

Navy Logistics Academy, and the Air Force Radar Academy have voluntarily applied for work at the grass-roots level.

### Editorial Urges Improving Army Administration

HK2609061494 Beijing JIEFANGJUN BAO in Chinese  
16 Sep 94 p 1

[Editorial: "Greatly Strengthen Army Administrative Work Under the New Situation"]

[Text] An Army-wide Administrative work conference solemnly opened in Beijing during this autumnal season. The conference demanded efforts to exercise our Army's fine tradition, to rule the Army sternly but in accordance with the law, and to greatly strengthen Army administrative work under the new situation. All Army units must conscientiously carry out the spirit of the conference, must unify, explore and be aggressive, and must pursue tasks vigorously and implement directives in order to raise Army administrative work under the new situation to a new level.

In recent years, all troop units have taken Deng Xiaoping's thinking on army building under the new situation as the guideline, and have conscientiously implemented a series of key instructions made by Chairman Jiang Zemin and other Central Military Commission leaders on strengthening Army administration. As a result, administrative work in the Army under the new situation has continued to develop and is playing an increasingly important role in the Army's comprehensive effort at army building. But we must be able to see that the implementation of the new era's military strategies and the improvement of the troops' combat power in a hi-tech world are making newer and higher demands on Army administration. The pursuit and development of a socialist market economic system—itself a profound social reform—have forced the Army administration to face and study many new realities with a view to solving them. A sound pursuit of Army administration is rendered necessary by the need to enhance the Army's fine tradition, preserve permanently the true color of our Army as one of the people, implement comprehensively the "outline on the administrative work for the Army rank and file," increase troops' cohesiveness and combat power, and fulfill our Army's basic functions. Therefore, leaders of all ranks should do their best in pursuing this basic project, which has significance for the overall situation.

In strengthening Army administration under the new situation, it is necessary to inherit and develop our Army's fine tradition. In the long revolutionary struggle and army building, our Army has developed a complete set of unique fine traditions, which, when reflected in administrative work, consists primarily of the following: Unity between officers and soldiers and a respect for cadres and caring for soldiers; the enhancement of democracy and reliance on the masses; strict requirements and punishments and rewards being clear and fair;

persuasion as the means of education to achieve self-awareness; being just and upright and free from favoritism; cadres taking the lead and setting personal examples; strict obedience of orders and unanimity in action; and being united, alert, earnest, and lively. In the new historical era, despite very great changes on various fronts, the nature and objectives of our Army have stayed the same; so have the principles underlying army building and the Army's fundamental roles. These fine traditions will forever be the basic criteria for our Army in military administration and troop deployment. At present, in enhancing our Army's fine tradition, the first steps to take are to resolve problems with the cadres' fundamental attitude toward soldiers, uphold unity between officers and soldiers, and forge closer ties between officers and soldiers. Unity between officers and soldiers must become a mandatory course in the education of cadres of various types and ranks. Through education of various kinds, the broad mass of cadres will be taught to have a concept of caring for and getting to know soldiers, to care for and take care of soldiers with deep feelings, to serve soldiers sincerely, and to be very responsible for the maturation and improvement of soldiers. They will be fair and upright and will uphold commanding troops in a just fashion. In order to correct unhealthy styles in troop command, while ideological education should be emphasized, it is necessary to strengthen supervisory measures, to give full play to democracy, to criticize and educate promptly those cadres with unhealthy styles and who handle matters unfairly. Embezzlement, pursuits for personal gain, acts insulting to soldiers, beating, verbal abuse, and corporal punishment will absolutely not be tolerated or forgiven. We must work hard to create a good climate in which reason prevails, sentiments are positive, and people are relaxed and cheerful.

To strengthen Army administration under the new situation, it is necessary to observe the principle of ruling the Army sternly and in accordance with the law, to tighten troop discipline and consolidate their style, and to pursue regularized management. The principle of army building is ruling the troops sternly and in accordance with the law; it is especially significant in the new historical era. Leaders and organs at all ranks and levels must adopt effective measures to resolutely correct slack management, loose styles, and poor discipline in order to ensure a high degree of stability, centralization, and unity among troops. We must strengthen officers' and soldiers' concept of discipline and awareness of obedience, maintain from beginning to end the image of obedience, neatness, uniformity, and a dignified and orderly troop appearance, the condition of being highly trained, observing public morality and being civilized and polite, and caring for the masses and wholeheartedly serving the people. We must run troop units strictly in accordance with orders and regulations, must study orders and regulations, train soldiers to implement them, and inspect such implementation, and must strengthen the awareness of orders and regulations among officers

and soldiers, so that all of them will be genuinely able to always and everywhere obey orders and regulations in every task they pursue. Tightening up discipline must start with the leading cadres and organs in order to correct the tendency of tightening up discipline with the rank and file and not with officers. Leading cadres and organs must have a strong sense of setting personal example, must be good at self-discipline and taking the lead, must combine strict administration with education by persuasion, and must teach soldiers to voluntarily observe discipline and obey orders through meticulous ideological education. Their strictness should be reasonable and measured; they must avoid simplifying things and being rude to the soldiers.

To strengthen Army administration under the new situation, it is necessary to study seriously new situations and problems and continuously improve levels of administration. Army building is now at a new stage of development and there have been great changes in the internal and external environments for administrative work and the backgrounds of officers and soldiers. Compared with the past, cadres and soldiers are now exhibiting many new characteristics. Administrative work has run into many new situations and problems. Over the past few years, on the basis of carrying over the fine tradition, troop units have explored actively, have conscientiously summed up experiences, and have devised many proven administrative methods which have resulted in many new developments in Army administration. All Army units must take Deng Xiaoping's thinking on army building in the new era as their guide, must conscientiously implement Chairman Jiang Zemin's general requirements of "being qualified politically and highly trained in military affairs, having a good style, tight discipline, and effective logistic support," and must further emancipate the mind, continuously sum up new experiences, and promptly answer and resolve new problems which appear in administrative work. Meanwhile, we should make a point of studying modern management techniques, continuously raise cadres' management capabilities, learn from various positive experiences, and sum up new experiences and methods that carry characteristics of the times, so that Army administration can be adapted to the requirements of the new situation and mission.

The main burden of strengthening Army administration under the new situation falls on leaders, and the key to it lies with implementation. Leaders at all levels must go further in stressing the guiding thought of pursuing administration, improve their work style, genuinely focus the objectives and emphases of administration on raising combat power, put the focus of work on the rank and file, concentrate their energy on the essentials of laying the foundation and achieving practical results. Through practical and highly effective work, they will open a new chapter in the Army's administrative work.

## Economic & Agricultural

### Zou Jiahua Inspects Gansu 17-20 Sep

OW2409104794 Beijing XINHUA Domestic Service in Chinese 1415 GMT 21 Sep 94

[By reporter Liu Shuiyu (0491 3055 3768)]

[Text] Lanzhou, 21 Sep (XINHUA)—Zou Jiahua, member of the CPC Central Committee Political Bureau and vice premier of the State Council, emphatically pointed out during his inspection in Gansu that economically it is necessary to maintain a sustained, rapid, and healthy development and prevent drastic fluctuations.

Zou Jiahua inspected some Gansu prefectures and cities, including Jiayuguan, Jiuquan, Zhangye, Jinchang, and Lanzhou, 17-20 September after attending a celebration for the completion of the double-tracking of the Lanzhou-Xinjiang Railroad. During the inspection tour, he visited mines and workshops of some large and medium state-owned enterprises, including Jiuquan Iron and Steel Company, Jinchuan Nonferrous Metal Company, Lanzhou General Refinery, and Lanzhou Chemical Industrial Company. He familiarized himself with the production, technological transformation, and sales of those enterprises; said hello to workers, cadres, engineers, and technicians on the front-line of production; and held discussions with enterprise and local leaders on how to accelerate technological transformation of enterprises and local economic development.

After hearing reports by the Gansu provincial party committee and government on local economic work, Zou Jiahua fully affirmed the achievements made by Gansu since the start of reform and opening up. He said: In the last decade or so, Gansu has kept its economic growth rate around 10 percent, and has thus basically achieved a sustained, rapid, and stable economic growth. This is an amazing achievement, meeting the demand set by the central authorities for a sustained, rapid, and healthy development. Healthy development means several things, including coordination, efficiency, and stable growth. At present, Gansu has basically achieved self-sufficiency in grain and has made great progress in industrial production and infrastructural construction. The people of various nationalities in Gansu are united, enjoying social stability and constantly improving their living standards. These achievements are the result of correct implementation of central policies by the party committees and governments at all levels in Gansu, as well as the result of their leading the people of all nationalities in the province in uniting and working hard. He urged Gansu's party and government leaders to seriously carry out central policies, pay attention to grasping the law of economic development, and prevent drastic economic fluctuations during the course of establishing a socialist market economic structure. He also urged them to sum up their experience, consider Gansu's reality, and continue to maintain a sustained, rapid, and healthy economic development.

Zou Jiahua showed great concern about the difficulties facing old industrial enterprises. He emphasized more than once during the inspection: In the last several decades, old enterprises have made great contributions to the country. We should adopt positive measures to help them overcome their present, temporary difficulties. According to the experience of various localities, if old enterprises are to "rejuvenate themselves," they must have a good leading body, produce marketable products, step up technical progress and technological transformation, and strictly improve internal management. To increase economic returns, enterprises must make great efforts to practice economy, tap the potential, raise labor productivity, and lower production costs, instead of increasing product prices. Zou Jiahua pointed out: Technological transformation should be carried out every year soon after an enterprise is completed and begins operation, and it should not wait until the enterprise becomes old and beyond repair. Technological transformation must not tolerate old technology, low efficiency, or high costs. It does not merely mean additional manpower, equipment, and floor space of workshops, to the neglect of technical progress. In technological transformation, an enterprise must emphasize using new technology and equipment, developing new products, improving management, and tapping potential. Only by doing so persistently can an enterprise have vitality.

Zou Jiahua fully affirmed the success made by Gansu in basically achieving grain self-sufficiency under comparatively poor natural conditions. He said: Water is a restricting factor to Gansu's agricultural development. Since the province has already had pretty good short- and long-term water resource development plans, it should carry them out persistently and seek practical results. The State Council's relevant departments should give the necessary priority support to key, urgently needed water resource projects, particularly the projects concerning minority nationalities and those in regions with difficulties. While continuing to pay attention to building water resource projects, efforts should be made to develop agriculture, promote rural economy, and increase peasants' income simultaneously. It is not enough to rely on grain production alone. Great efforts should be made to develop cultivation of crops suitable to local conditions, aquaculture, and the processing industry using agricultural products as raw materials. While guaranteeing grain production, it is necessary to readjust the mix of agricultural crops; raise land productivity; run village and town enterprises and labor export well; make primary, secondary, and tertiary industries thrive in rural areas in an all-around way; and increase peasants' income.

On commodity prices, Zou Jiahua called on the Gansu party committee and government to resolutely implement the 10 measures Premier Li Peng forwarded at the national telephone conference on further improving the management of commodity prices. He urged them to

curb the excessive increase of commodity prices, particularly the prices of people's daily necessities, and to create a good macroeconomic environment for further deepening reforms and for promoting a healthy economic development.

Zou Jiahua suggested that Gansu should fully exploit its tourism resources and develop tourist trade.

Zou Jiahua emphasized: While developing the economy, the party committees and governments at all levels should adhere to the principle of building both material and spiritual civilizations and attaching equal importance to both, carry out a widespread education in patriotism, collectivism and socialism, and guide the people's enthusiasm and creativity onto the great undertaking of building a socialism with Chinese characteristics.

Zou Jiahua was accompanied on the inspection tour by Yan Haiwang, secretary of the Gansu party committee; Zhang Wule and Guo Kun, governor and vice governor of Gansu respectively; and Ye Qing and Xu Penghang, responsible for the State Council departments concerned.

#### Quality Control Talks Held; Bo Yibo Sends Letter

OW2609042494 Beijing XINHUA in English 0336  
GMT 26 Sep 94

[Text] Beijing, September 26 (XINHUA)—A four-day '94 high-level symposium on quality control is going on in a bid to promote its famous brands on the domestic and international markets.

This is the third of its kind held in China since 1992.

More than 100 senior quality control officials, industry experts and manufacturers have gathered in Beijing to plan a national strategy for developing famous Chinese brands to meet the challenges of the next century, "the century of quality."

"We need to develop famous brands to protect and promote national industry and the domestic market; famous brands are also the key to increasing China's presence on the international market," veteran revolutionary of the older generation Bo Yibo said in a congratulation letter to the meeting.

"A good strategy for developing famous brands is needed not only for national economic survival but for prosperity as well," China Quality Control Association chief Song Jiwen said.

The forum, which opened on Sunday [25 September], will focus on "achieving prosperity through good quality and a famous-brand strategy."

Participants will exchange experiences in producing quality and famous brand products and hold discussions on how to define famous brands. They will also discuss

the drafting and implementation of a national strategy on developing famous brands.

Forum participants agreed that devising and implementing a famous-brands strategy is not only the task of enterprises but also an important work for government departments at all levels. Cooperation is important to realize the goal.

Quality officials and experts believe that implementing the strategy will help advance the national economy, produce more consumer-oriented products and improve the reputation of Chinese products on the world market.

And they are confident that China has the potential to create more famous brands to meet international challenges.

"Many high-tech products, such as satellite technology, power-generating equipment and program-controlled machines have entered the European market," Song said.

#### Chen Yuan Addresses Seminar on Bank Reform

HK2409064094 Beijing CHINA DAILY in English  
20 Sep 94 p 2

[By Lu Hongyong: "Seminar Hears Plan for Central Bank Reform"]

[Text] The People's Bank of China is moving to improve financial macro-control, introduce regulations on foreign-based financial institutions and speed up the shift of state banks to commercial ones.

Chen Yuan, executive vice-president of the central bank, made the remarks in an address to be delivered at a seminar in Beijing yesterday.

The seminar, on financial and banking reform, was co-sponsored by the China-Britain Trade Group, the British Invisibles and the Bank of China.

Chen said the People's Bank has held up special loans to non-financial sectors and stopped fiscal sectors over-draft borrowings.

The bank's financial macro-monitoring used to focus on the scale of credit and cash supply at State banks. Now, the bank is responsible for the money supply and aggregate credit of all financial institutions.

The People's Bank has abolished the profit retention system and adopted a budget system in its determined effort to control aggregate credit.

The bank aims at flexible readjustment through monetary policy and is keen to bring in open markets, Chen said.

Breakthroughs are expected in indirect control measures as a result of flexible readjustment, he said.

The account settling in terms of assets and liabilities transferred to the three new policy-oriented banks has been completed.

The three policy banks, the State Development Bank, the Export-Import Bank of China and the Agricultural Development Bank of China, have carried out assets-liabilities ratio management guided by quotas from the central bank.

For the next stage, the central bank will adopt new measures to enhance the performance of specialized banks by improving the quality of their loans.

Meanwhile, the central bank will initiate urban co-operative banks to replace urban credit co-operatives and local fiscal credit. The move is aimed at speeding up the shift from State-owned specialized banks to commercial banks.

Achievements in foreign exchange management reform have been dramatic this year, with the merger of the dual exchange rate and the launch of the interbank foreign exchange settlement and sales system and interbank foreign exchange markets.

The next task of foreign exchange reform is to perfect the system for foreign exchange dealings; study and improve foreign exchange procedures for foreign-funded enterprises; revamp the approach to statistics; and establish a balance of payments reporting system.

#### Central Bank on Restrictions on Foreign Banks

HK2409083994 Beijing ZHONGGUO XINWEN SHE in English 0217 GMT 24 Sep 94

[Text] Beijing, September 24 (CNS)—More and more foreign financial institutions have now set up their branches in China. Due to some specific reasons, they are not yet allowed to do business in renminbi, says a relevant department of the People's Bank of China.

There are altogether 100 foreign financial institutions in operation and more than 300 representative offices of foreign financial sector in the Mainland. Compared with some other developing countries, the speed of China's introduction of foreign financial institutions is rather fast.

The reasons for not allowing foreign banks to do business in renminbi for the time being are, according to the People's Bank of China, as follows.

First, banks in China have long since functioned as an arm of government as well as a financial institution. They have not yet gone entirely commercial, therefore, their competitiveness in the market is still weak.

Second, the financial system in China is still incomplete. Surveillance and administration over financial institutions exercised by the central bank, People's Bank of China, is feeble.

Third, taxation imposed on Chinese banks is far higher than that of foreign banks. Tax levied on the former is as high as 55 percent while the latter only 15 percent. In this respect, Chinese banks are in no position to compete with foreign ones.

Four, renminbi cannot yet be freely converted into foreign currency.

The People's Bank of China also says that China is speeding up its financial reform and perfect its rules and regulations in a bid to create conditions for foreign banks to do business in renminbi.

#### People's Bank Separates Life, Property Insurance

HK2509074994 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 25 Sep-1 Oct 94 p 1

[By Xiao Lu: "Bank Splits Life, Property Insurers"]

[Text] As part of its move to reshuffle China's financial system, the People's Bank is preparing major changes in the country's insurance sector, over which it has responsibility.

The bank is poised to separate the Life Assurance Co of China from the People's Insurance Corporation of China.

Since competition pressures loom large on the horizon with the passage of long expected reforms, the central bank is executing the changes in the domestic insurance sector to position itself for the challenge, said People's Bank vice-president Chen Yuan.

With the change, the Life Assurance Co will focus exclusively on life insurance and the People's Insurance on property.

The move is designed to fashion China's insurance system after the accepted systems of the West, according to Zhang Zhixiang, director of the International Department of the People's Bank, China's central bank.

Accounts for life and property insurance are managed in utterly different ways. Life insurance spans a long time and property insurance a much shorter interval—commonly once a year.

To the dismay of overseas insurers eager to tap the emerging market in China, the much anticipated insurance law is still in the making. The People's Bank has done the drafting and reported to the State Council; it has yet to be sent to the National People's Congress, the legislature, for deliberation.

Specialized rules designed to regulate urban co-operative banks are eminent, together with two other draft laws—on the central bank and commercial banks, respectively.

Observers say the turnover value of China's insurance sector will grow 25 per cent on average for the next couple of years and probably hit \$40 billion by the year 2000.

Overseas insurers are looking to the new regulations to resolve longstanding uncertainties regarding their status in China's insurance industry.

Altogether, overseas banking and insurance companies have opened 63 representative offices in China, but only two of the foreign insurers, AIG (American International Group) and the Tokyo Marine and Fire Insurance Co, have been allowed to set up operative branches.

#### Commission Names 10 'Over-Funded' Sectors

HK2509075394 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 25 Sep-1 Oct 94 p 94

[By Tong Ting: "State Names Ten Over-Funded Sectors"]

[Text] The government has warned against new domestic investment in the next 3 to 5 years in 10 manufacturing sectors suffering from oversupply and shrinking demand, the State Planning Commission just announced.

The ten sectors include:

- Watches: Squeezed by large numbers of fancy imported products, domestic manufacturers have reported stockpiles of 10 million watches;
- Cosmetics: With more than 2,000 large- and medium-sized cosmetics factories turning out 1,000 different products, sales have not kept up;
- Woolen textiles: One-third of the equipment for woolen production cannot be put into operation due to the lack of raw materials;
- Bedding: The present output of towels and sheets has surpassed the market demand;
- Chemical-fibre carpets and machine-made carpets: Production capacity greatly exceeds demand;
- Gunnysacks: The annual national output has reached 700 million, surpassing market demand;
- Stainless steel products: The shortage of raw materials slows production;
- Plastic wall paper: With the output of over 1 billion square metres, the production is far beyond market demand;
- Food-processing machinery: The surplus has already become very serious because of extensive use of foreign-made equipment;
- Copper- and aluminum-processing industry: Limited raw materials limit further development in the sector.

Other industries that are shying from new investment or expansion include aluminum-alloy doors and windows, man-made marble, terrazzo, plastic processing and compact cars.

**Food, Hospitality Industries To Be 'Top Priority'**

OW2609122894 Beijing XINHUA in English 1155  
GMT 26 Sep 94

[Text] Beijing, September 26 (XINHUA)—China is to give top priority to food and hospitality industry in the next few years, said a senior official from China's National Tourism Administration.

Addressing the opening ceremony of the Food & Hotel China '94 here today, Liu Yi, director of China's National Tourism Administration, said that China has made great progress in its tourism industry during the past few years.

To prove that, Liu cited that the arrivals of foreign tourists in China last year amounted to 41.5 million and now in the whole country, 2,552 luxury hotels are receiving both foreign and Chinese tourists.

Liu believed that the expected 10 percent increase in the number of foreign tourists annually and the expansion of domestic tourist market will stimulate the development of China's food and hospitality industry.

The Food & Hotel China '94, jointly sponsored by Hongkong Exhibition Services Ltd. and the China World Trade Centre, and supported by the China National Tourism Administration, is the largest exhibition of its kind ever held in China. The exhibition is aimed at creating an opportunity for both China and foreign countries to display their advanced technology in this industry and meanwhile for them to hold trade talks.

More than 700 well-known companies from 31 countries and regions are to exhibit a large variety of foodstuffs, drinks and hotel facilities during the four-day run. Fifteen countries dispatched large delegations in the name of their national governments to the exhibition.

Some participants believed that the exhibition would help strengthen exchange and cooperation in the food and hospitality industry between China and foreign countries, and thus pushing forward the development of China's tourism and other related industries.

**Investment Rate To Stay 'Buoyant' Next Century**

HK2509081494 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 25 Sep-1 Oct 94 p 8

[By Wang Yong: "Investment Rate Not Likely To Wane"]

[Text] China's investment demand will remain buoyant throughout this century and into the first decade of the next, a senior official forecasted.

"The annual growth rate of social fixed-asset investment for the 1996-2000 period will be around 9.1 per cent, while that for 2001-2010 will be 7.6 per cent," said Li Boxi of the State Council's Development Research Centre.

Fixed-asset investment is a barometer of gross domestic product (GDP) performance.

In general, recessionary pressure occurs when such investments slump to a point where the resulting decreased injection in the economy causes overall social demand to languish.

China witnessed a 7.3 per cent rise in fixed-asset investment in July over the same month of last year, bringing the GDP growth rate to an uncomfortable high 11.6 per cent for the first half of this year.

The investments, most of which are of poor efficiency, have pushed up inflation together with unstable agricultural output and market disorder.

The government faces a delicate task in tempering investment momentum without stifling the economy.

Li said he made the forecast of fixed-asset investment growth after taking stock of China's overall political and economic situation.

He affirmed: "The opening and reform policy will stay on course, ensuring political and social stability."

With a sustained investment demand, albeit somewhat slowed, China's GDP will grow by an average of 8.5 per cent between 1996 and 2000, he predicted.

A slower pace of 7.5 per cent will follow in the next decade, he added.

That would constitute about half of the 1993 level, when an economic surge put government officials on alert against inflation.

Li estimated that the country's retail sales will increase by 8.1 per cent each year in the run-up to 2000. The pace will decrease to 7.1 per cent for the following decade.

As for the economic structure, Li said diversification is in store as the service trade expands its share of the national economy.

The service trade constituted 27.4 per cent of the national economy in 1990. The proportion will grow to 34.1 per cent by 2000 and 40.6 per cent by 2010, he said.

The service trade requires less investment than industry or agriculture, and promises quicker economic returns. At the same time, services can absorb redundant workers and farmers.

In the United States, the service sector accounts for some 60 per cent of the national economy. That explains in part why the U.S. is pushing China to open the service market wider to American companies.

In conclusion, Li said, China by 2010 will embrace an optimal economic structure supported by a sustained, buoyant growth momentum.

"Moreover, we will have three clearly defined geographic centres that will propel our economy on a solid footing."

The first is the industrial development belt along the Yangtze River, between Shanghai's Pudong New Area at the lower reach and Chongqing city at the upper reach.

Next is the Bohai Sea and Yellow River belt, which focuses on energy resources and overall economic development.

The third is a colossal energy and chemical industrial centre arising on the Pearl River Delta that links South and Southwest Chinas, abundant in natural resources.

#### Trade Official on Overseas Investment Patterns

*OW2509105394 Beijing XINHUA in English 0858  
GMT 25 Sep 94*

[By Lou Hui: "Analysis of the Use of Overseas Funds"—*XINHUA* headline]

[Text] Beijing, September 25 (XINHUA)—The real estate industry of China has taken the lead in attracting overseas investment during the past 15 years by a large margin compared with other sectors.

Meanwhile, agriculture, which is known as the basis for China's economy and people's lives, has been listed outside the top ten sectors in terms of using foreign funds.

In the first half of this year, China approved a total of 24,954 overseas-funded projects, among which 2,755 projects, with contracted foreign funds reaching nearly 14.5 billion U.S. dollars, were in the real estate industry, 32.49 percent of the total foreign funds China attracted during the period.

Overseas investment pouring into the agricultural sector, including farming, forestry, animal husbandry, fisheries and water conservancy, accounted for only 1.07 percent of the total in the first half of this year, lower than the average 1.5 percent in the past 15 years.

By the end of last June, China has approved a total of 199,678 overseas-funded projects with a committed investment of 266 billion U.S. dollars. Cumulative figures showed that the nation has had an actual use of 74.7 billion U.S. dollars.

Jiao Sufen, director of the Foreign Investment Administration Department of China's Ministry of Foreign Trade and Economic Cooperation, said that the sectoral pattern of overseas investment in China has not changed significantly during the past 15 years.

She said that the macro-control measures adopted by the Chinese Government since the middle of last year have taken effect and have held in check abnormal development of the real estate market.

But some large overseas property companies are still keen on investing in real estate projects, including the upgrading of urban residential buildings in Shanghai, Tianjin, Guangzhou, Chongqing, Fuzhou and some other industrial cities, said Jiao.

The use of overseas investment in this field is still on the rise, she said.

In the meantime, she said that although China encourages the introduction of overseas investment in agriculture, the amount of overseas investment in agriculture in the past 15 years is still less than two percent of China's total in the period.

Noting that large sums of investment are needed in agricultural development but their economic returns are relatively low, Jiao said that China can adopt more preferential policies for the introduction of overseas funds in agriculture.

Those sectors listed from the second to the 10th place are: Tourism including construction of hotels, accounting for 7.69 percent of the total; commercial field, 5.39 percent; manufacturing of electronic telecommunications facilities, 3.28 percent; manufacturing of electric machinery and equipment, 2.89 percent; textiles, 2.76 percent; machine-building, 2.69 percent; construction, 2.52 percent; chemicals, 1.72 percent; and posts and communications, 1.39 percent.

Jiao said that overseas investors are showing increasing interest in China's infrastructure construction including power industry and communications, and the transformation of state-owned large and medium-sized enterprises.

The Chinese Government should further adjust its related policies to facilitate smooth operations, Jiao said.

#### Foreign Government Loans Fund 'Main Projects'

*HK2509052894 Beijing ZHONGGUO XINWEN SHE  
in English 0435 GMT 24 Sep 94*

[Text] Beijing, September 24 (CNS)—A number of main projects covering hydropower stations, ports, railway lines and iron and steel works, all of which are vital to China's national economy, are under construction. China made use of loan offered by foreign governments to fund these projects, guaranteeing sources of capital for these items. Loan by foreign governments has become the main content of foreign capital brought in for funding construction items.

Statistics show that as of the first half of this year the Chinese government had signed agreements on financial cooperation with some 20 foreign governments with a gross pledged capital of U.S.\$ 25.1 billion while the actual use of foreign capital was put at U.S.\$ 19.74 billion.

The foreign government loan is usually part of the budgetary spending of creditor nations which bears the nature of bilateral aid and enjoys preferential treatment. Among foreign capital used in China, foreign government loan turned out to enjoy preferential loan conditions. Such loan is of significance to lowering the cost of fund raising, improving the debt structure and promoting bilateral economic relationship.

China introduced foreign government loan since the early 1980s and incomplete statistics indicated that during the past dozen years foreign government loan was used by China to have funded an accumulated number of 1,200 items, many of which were set for the Seventh Five-Year Plan and for the current Eighth Five-Year Plan. These items mainly covered transport, post and telecommunications, technological renovation for aging enterprises, urban sewage processing as well as economic development and agricultural exploitation in border and impoverished areas.

China turned out to be very attractive to developed countries for its market of great potential which was resulted from the reform and the opening of the communist country to the outside world. Some investors from the Western economic and trade sectors have offered capital worth billions of U.S. dollars as special loan for trade, a move showing such loan help push forward the export trade and economic development of those creditor nations as well.

A growing amount of foreign government loan for China means China has increased its ability to raise fund in the international capital market. Overseas investors are, however, concerned about the debt service ability held by China. Latest statistics released by the State Administration of Foreign Exchange Control revealed that the outstanding foreign debt was put at U.S.\$ 83.573 billion in 1993 and its debt service rate had long been kept under the 20 percent warning line which was internationally recognized. Some debtor entities, however, found it very difficult to make repayment in recent time. Some economic experts were convinced that such phenomenon was mainly due to restrictions imposed by the Organization for Economic Cooperation and Development which stated that most of the government loan had to go to basic facilities as well as to poverty relief and environmental protection items, all of which can not earn foreign exchange. Furthermore, the adjustment of the renminbi and the appreciation of the Yen against the U.S. dollar which led to a big debt burden on debtor entities which made use of loan in Yen. The authorities are now looking for effective ways to ensure the debt payment by these entities.

#### Multinationals Compete for Share of Chinese Market

HK2509052394 Beijing ZHONGGUO XINWEN SHE  
in English 0404 GMT 24 Sep 94

[Text] Beijing, September 24 (CNS)—Spokesman of Ministry of Foreign Trade and Economic Co-operation, Mr. Miao Fuchun, recently said, the plan of China to spend U.S.\$1,000 billion on imports in the coming seven years has caught international attention. Thus some transnational companies are now vying to develop trade and investment in China.

At the beginning of this year, Premier Li Peng announced that China's total import between 1994 and

2000 would accumulatively reach U.S.\$ 1,000 billion, accounting for one seventh of the present global turnover in trade. According to sources of Beijing trade industry, the plan of such a large-scale import would reveal the gradual realization of China's enormous market potential.

Since the announcement of the plan, more than 60 representative offices of world-class transnational companies have been set up in Beijing. Chrysler of America, Siemens of Germany, Mitsubishi Heavy Industries of Japan, etc. are now negotiating with relevant Chinese departments on commercial and trade contracts. Large aircraft producers such as Boeing and European Airbus have won orders of more than 100 airplanes from the Civil Aviation Administration of China.

Officials of the State Planning Commission and the Ministry of Foreign Trade and Economic Co-operation said the U.S.\$1,000 billion import is calculated on the basis of the need of Chinese modernization and the import trend of recent years. In order to facilitate basic facilities' development, resources exploration in the Northwest and technology improvement in southeastern coastal areas, products, technology and key complementary installations that are urgent for economic development will be introduced from abroad, which are mainly concentrated in the fields of transport, energy, irrigation works, telecommunications, environmental protection, agriculture, etc.

In the 90s, Chinese economy has entered a new stage of rapid growth and a huge investment is needed for the construction of various large projects in infrastructure, for example, BeijingShanghai Express Railway, Three Gorges Project, etc. Therefore in the transport industry alone, an import value of U.S.\$100 billion is expected.

In recent years, annual growth rates of China's import and export have maintained at a speed of above 20 percent. Export may even exceed U.S.\$100 billion this year and reach U.S.\$200 billion at the end of this century. This will ensure a basic balance between import and export, said an official of a certain authoritative economic department.

At present, China has over U.S.\$30 billion foreign exchange reserve, which is U.S.\$10 billion more than the end of 1993 and has created a favourable condition for import.

A resident representative of a transnational company in China said the 1,000 billion U.S. dollars import of China is just like a big cake and "those goes into action promptly will have larger shares" [sentence as received].

#### Experts Discuss Capital Goods Market Development

OW2409120894 Beijing XINHUA Domestic Service in Chinese 0141 GMT 22 Sep 94

[By reporters Ma Kuijun (7456 7608 0689) and He Jingsong (6320 0513 2646)]

[Text] Tianjin, 22 Sep (XINHUA)—More than 30 experts from the State Reconstructing Commission, the State Planning Commission, the State Economics and Trade Commission, the Internal Trade Ministry, and the Metallurgical Industry Ministry recently gathered in Tianjin to discuss how to develop and perfect China's capital goods market.

During the meeting, these experts inspected the Tianjin Municipal Beiyang Steel Wholesale Market and evaluated the feasibility of applying an information network to the circulation system of capital goods. The Beiyang Steel Wholesale Market is a large wholesale market set up by the Internal Trade Ministry, the Metallurgical Industry Ministry, and the Tianjin municipal government. Experts held: The Beiyang Steel Wholesale Market has developed the mode of multiple spot transactions mainly based on bulk wholesale, established a reasonable price system through balanced competition of supply and demand, and made preliminary progress in accomplishing the goal of allocating resources through price leveraging. Through the establishment of an advanced information transmission mechanism, the Beiyang Wholesale Market makes its transaction information known to production and trade enterprises across the country. On the basis of this information, enterprises at all levels can make correct decisions and participate in capital goods trade. The Beiyang market has established a price system through fair competition; provided enterprises with an open, fair, and honest trade environment; and transformed the outdated chaotic trade mode into a new one. To ensure the success of transactions, the Beiyang market set up 10 delivery warehouses in Tianjin, Shenyang, Zhengzhou, and Shanghai. With the delivery transportation network, delivery of goods is reliable. By the end of August, the Beiyang market had concluded transactions of 25.6 million tonnes of steel and the trade volume reached 86 billion yuan.

After the two-day discussions, experts held: The Beiyang market made a series of explorations that are beneficial to the establishment of the mode for developing China's capital goods markets. This large wholesale market used modern communications means to set up a capital goods transaction network consisting of information, transaction, and delivery networks. It has brought its role into play in connecting production and demand and allocating resources. Nevertheless, the market must continue to develop and perfect itself to promote the establishment of a national capital goods market.

#### RENMIN RIBAO on Goods Circulation Sector

OW2409031094 Beijing XINHUA in English 0247  
GMT 24 Sep 94

[Text] Beijing, September 24 (XINHUA)—The circulation sector of goods and materials has been developing with great vitality since the founding of People's Republic of China in 1949.

Today's overseas edition of the "PEOPLE'S DAILY" reported that the circulation sector of goods and materials, where business used to be done mainly in the form

of transfers according to state set plans in early years of New China, has now shifted its focus of business to the regulation of market as the country's reform and open-up policy are deepening.

The categories of goods for allocation under mandatory plan decrease from 838 in 1980 to the present 11, coupled with respective decreases of quantity and proportion of goods to be allocated under the mandatory plan.

A total of 95 percent of means of production needed by coastal areas and other inland construction institutions below prefecture or city level, and 80 percent of goods and materials needed by major enterprises are now solved through direct purchases from the market, said the newspaper.

As a result, the purchases and sales of products by goods and materials sales companies above county level have been increasing at an annual average rate of 30 percent and hit 180 million yuan last year.

By the end of last year, China has got 33,000 enterprises engaged in circulation of goods and materials, with 1 million employees and 55 billion yuan of fixed assets.

At present, a comprehensive circulation network of goods and materials, centered in cities and composed of various economic factors, numerous circulation channels and diversified operating ways, has begun to take root across the country.

Last year, the country had 500 trading centers of goods and materials and 4,000 markets for trading of various kinds of materials for production, in addition to 300 brokerage companies engaged in futures business of goods and materials, the paper reported.

The enterprises engaged in goods and materials circulation have been active in promoting external trade and in economic cooperation with foreign countries. Last year, their foreign trade stood at 5 billion U.S. dollars.

These enterprises have so far started about 500 joint ventures and businesses in cooperation with overseas areas, said the newspaper.

#### Improvements in National Infrastructure Reviewed

OW2609054594 Beijing XINHUA Domestic Service in Chinese 0850 GMT 23 Sep 94

[By XINHUA reporters Zhang Chaowen (1728 6389 2429), Chu Baoping (2806 0202 1627), and Cong Yaping (0654 0068 1627)]

[Text] Beijing, 23 Sep (XINHUA)—In our beloved country, which oil field is the largest? Which bridge is the longest? Which building is the tallest? The answers to these questions vary according to different periods. On the eve of the 45th founding anniversary of the People's

Republic of China, we learned this fact: In the past 45 years, the "country's first" title for various trades changed constantly.

When New China was born, the largest "oil field city" in the country was the Yumen Oil field, with an annual crude oil output of 100,000 tonnes. The epithet of "oil-poor country" weighed heavily upon the head of the young republic and upon the hearts of our oil workers. In 1954, New China's first 1-million-tonne oilfield was born in the Gobi Desert after slumbering in northwest China for millions of years. The beautiful "Song of Karamay" praises the great changes witnessed by the Karamay Oil field. Six years later, millions of oil workers began to join efforts to build the world-renowned Daqing Oil field in northeast China's Songliao Basin. By 1993, the Daqing Oil field was producing crude oil at an annual output of 50 million tonnes for 15 consecutive years, thus becoming one of the 10 largest oil fields in the world. Now, numerous well-drilling derricks stand in the South China Sea where the heat of the sun is like fire, in snowy Heilongjiang, in the deep-blue Bohai Sea, and in the endless Tarim Desert. The "petroleum flowers" are in full bloom in the oil fields of Daqing, Shengli, Liaohe, Karamay, Tarim, Zhongyuan, Jianghan, the South China Sea, the East China Sea, and the Bohai Sea, thus making China a proud oil-producing country.

In the early years of the republic, people would say that the biggest coal producer was Fushun of Liaoning Province. In 1938, the annual coal output in Fushun was 9 million tonnes. By 1949, the coal output in Fushun dropped to merely 900,000 tonnes. After three years of hard work, our coal miners brought the annual output to a record high. Soon afterward, the annual output reached 10 million tonnes, thus making it China's worthy capital of coal. By the 1970's the laurel was in the hand of the workers of Hebei's Kailuan Coal Mine. With a daily increasing production of one more load on a Shanghai-bound train, the annual output of the Kailuan Coal Mine reached 2 million tonnes. By the 1980's, China's new coal capital arose in Shanxi's Datong, with an annual output of 30 million tonnes of good-quality coal, thus enabling it to enjoy a worldwide reputation.

In the power industry, the "country's first" record changed many times. In the early years of the Republic, the Fengman Hydropower Station on the Songhua Jiang in northeast China was the largest hydropower station in China, with an installed capacity of 130,000 kw. In the 1950's, the installed capacity was enlarged to 550,000 kw. By 1960, the "country's first" title was in the hands of the Xinanjiang Hydropower Station, with an installed capacity of 665,000 kilowatts. In 1968 when the Qinghe Power Station in Liaoning was put into operation, China had its first 1 million-kw power station. In 1974, the Liujiaxia Hydropower Station on the Huang He in northwest China was built. The Liujiaxia Hydropower Station had an installed capacity of 1.225 million kilowatts, the largest in China at that time. The record was broken in 1988 when the Gezhouba Hydropower Station

on the Chang Jiang was built. The Gezhouba Hydropower Station had an installed capacity of 2.715 million kilowatt. When the world-renowned Three-Gorges Project on the Chang Jiang is accomplished, the installed capacity is expected to reach 18 million kw. The Three-Gorges Power Station will be the largest in China. It also will replace the Itaipu Hydropower Station as the largest hydropower station in the world.

The Chinese were good at building bridges. But, before the liberation, the only bridges that we could show the world were ancient bridges like the Zhaozhou Bridge. There was not one single bridge across the long Chang Jiang. In June of 1956, Comrade Mao Zedong wrote a poem wishing that "a bridge will fly to span the north and south, turning a deep chasm into a thoroughfare." In 1957, the 1,690-meter Wuhan Chang Jiang Bridge, the first bridge across the Chang Jiang, was completed. The Nanjing Chang Jiang Bridge, a 6,772-meter railway bridge with a 4,589-meter bridge approach, was completed in the 1960's. It was recorded in the Guinness Book of Records. In 1993, the 8,675-meter Jiujiang Chang Jiang Bridge, one of the major Beijing-Kowloon Railway projects, was completed. It is currently the longest highway-railway bridge in the world.

In the early 1950's, the largest shipyard in China could only build small boats of several thousand tonnes. In 1968, the 10,000-tonne "Dongfeng," China's self-designed and self-made oceangoing cargo ship, sailed across the Pacific, thus creating a record in the history of our shipbuilding industry. In 1982, China built the 27,000-tonne "Great Wall" bulk carrier for a foreign country, thus marking our shipbuilding industry's first attempt to enter into international market. In January 1994, the smooth launch of the "Samalinda," a 150,000-tonne bulk carrier made for Belgium, surprised people in shipbuilding circles around the world.

Builders always hope to build a higher building on the land of the People's Republic of China. When New China was born, China's highest building was the 24-story International Hotel, which is located on Nanjing Road in Shanghai. The 86-meter building was the highest in China for many years. Since the drive of reform and opening up to the outside world, high-rise buildings have sprung up like mushrooms in China. The tallest building now in China is the Jingguang Center in Beijing. It has a 208-meter steel structure, higher than the 199-meter International Building in Guangdong, the 183-meter Jingcheng Building in Beijing, the 165-meter Development Center Building in Shenzhen, and many others.

Of course, many best-record holders remain the same. Over the past 45 years, the Anshan Steel Company, the Shanghai Harbor, and others have kept their titles by continuously improving their records. In 1993, the Ansan Steel Company increased more than 80 times in terms of annual pig iron and steel output as well as the number of products. The handling capacity of the

Shanghai Harbor reached 170 million tonnes in 1993, an increase of more than 80 times over 1949.

**Li Yining Examines Township Enterprises**

*HK2609054194 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 26 Sep 94 p 4*

[“View Point” column article by Professor Li Yining, head of Beijing University’s Department of Economics and Management, and member of the Standing Committee of the National People’s Congress: “Township Enterprises Reach Critical Point”]

[Text] Fujian province has a relatively developed township and village enterprise system. Indeed, based on a recent trip to Quanzhou and Shihu, I believe township and village enterprises are now at a critical juncture in their development. If they remain at existing levels, the future seems bleak. But if they want to stay ahead, they will have to press ahead with organisational and product changes to lift them to a higher stage of development.

The rapid development of the enterprises in the 1980s was closely linked with the circumstances of that era. At the time, the family contract responsibility system was being implemented in the villages, which were experiencing a building fever and the mad rush to buy furniture and other durable consumer goods. State-owned enterprises continued to feel the burden of a planned economy while foreign-funded enterprises were beginning to sprout. Township and village enterprises exploited the circumstances to their advantage and, with the help of preferential government policies, quickly flourished.

Despite their dramatic rise, low technological levels and product quality, added to poor management style, marketing techniques and financing methods suggest that these enterprises will not adapt to the stringent demands of a true market economy if they do not upgrade themselves. Senior managers of these enterprises tend to run their operations like family businesses with inadequate operational systems. In many ways, these managers can hardly be described as entrepreneurs in the true sense of the word.

Circumstances today have changed considerably, with some state-owned enterprises, responding to reforms, becoming lean and fit while private enterprise and Sino-foreign joint ventures are expanding rapidly. Consumers also are becoming more demanding. For township and village enterprises, the implication is that those which can meet the demands of consumers will continue to survive while those which fail to raise product quality will fall by the wayside.

How can they rise to the challenge of the 1990s? They must alter the structure of their products to meet the demands of the market. Every city, county and village must target products that use competitive advantage instead of producing simply to meet a consumer fad.

Quality also must be a priority. In order to do this, they must upgrade techniques and methods of production, and introduce quality control systems. The enterprises also must improve organisational and management structures.

Many township enterprises are registered as collective enterprises, bringing into play the vagaries of the system. Who actually directs the investment? How are property rights defined? How do shareholders exercise their rights? Answers to the questions are not well defined in the township enterprises, which still have a long way to go in working out a property rights system. In theory, a township and village enterprise is a collective enterprise. In effect, it is run by a handful of senior cadres. These enterprises must urgently resolve this issue if they want to motivate shareholders and staff. Clarifying the situation also will allow reductions in management costs while raising management standards to adapt to a competitive market.

Finally, township enterprises need to raise the quality of their labour force. They have tended to rely on cheap labour for their operations, a philosophy that can only spell disaster.

**Imported Appliance Quality ‘Not Satisfactory’**

*HK2409083794 Beijing ZHONGGUO XINWEN SHE in English 0344 GMT 24 Sep 94*

[Text] Beijing, September 24 (CNS)—An inspection, conducted by the State Commodity Inspection Bureau (SCIB) together with the State Administration of Commerce and Industry and the China Consumers Association on household electrical appliances including colour TV sets, air-conditioners and refrigerators which are at sale in 13 provinces and cities, shows that the quality of such imported products, though improved to a certain degree compared with last year, is still not satisfactory.

According to the inspection, 80 percent of the sampled imported TV sets have been marked with a safety pass tag, much higher than last year’s 58 percent. This kind of products with such a tag in Hubei and Xiamen have exceeded 90 percent and those in state-run large stores and in specialized shops for selling imported commodities nearly all have such a tag.

Only 20 percent of the sampled air-conditioners and about 40 percent of the sampled refrigerators have had such a tag, nearly the same as last year. Imported air-conditioners failing to be marked with such a tag are mainly because most foreign businessmen are not aware of the great demand of this commodity in the Chinese market and therefore fail to apply for a permit of application of safety pass tag in time while some importers are, ignoring state laws, illegally importing those products without a permit of application of safety pass issued by the SCIB. A sample, conducted by the Shanghai Commodity Inspection Bureau on a batch of products imported from some foreign companies, shows

that many of the sampled products have failed to pass the safety examination and some of these products are outdated and useless because of not being equipped with complete parts and components.

The inspection also revealed that some domestically assembled products try to pass as imported ones. In Lianyungang City in Jiangsu Province alone, some 55 National colour TV sets of this nature were discovered.

According to the Imported and Exported Commodities Inspection Law of the People's Republic of China and its implementation regulations, imported goods on the list of imported commodities which are subject to be checked for safety must meet the requirements of the SCIB and marked with a safety pass tag before they can go at sale. The SICB will further tighten its inspection on and administration over imported commodities. Those commodities without a safety pass will not be allowed to go into market and those dealers and units in violation of related laws and regulations will be punished.

#### Report on Foundation of Economic Construction

OW2509212094 Beijing Central People's Radio Network in Mandarin 2230 GMT 12 Sep 94

[Second in a series of reports: "Figures and Great Changes"; from the "News and Press Review" program; first in the series published in the 21 September DAILY REPORT]

[Text] Today's title is "The Material and Technological Foundation Has Become Increasingly Strong."

After its founding, New China embarked on a large scale of economic construction. During the last 45 years, investments in fixed assets by all units reached 4,421.5 billion yuan, and the number of large- and medium-sized projects built and put into operation totaled 5,079. An independent industrial structure with fairly comprehensive departments was established.

While developing industries in the coastal regions, we have also established a number of industrial bases in the vast interior and in areas inhabited by ethnic minorities. We have built fairly modernized three-tier water, land, and air transportation and posts and telecommunications networks, and have sharply increased our electrified railway and expressway mileages. Optical fiber and other advanced telecommunications technologies have been widely used. We have also built a large number of modern cities, increasing the number of cities in the country to 570. The level of mechanization in agricultural production has also risen notably.

#### Report on Industry, Agriculture Output Figures

OW2509212494 Beijing Central People's Radio Network in Mandarin 2230 GMT 13 Sep 94

[Third in a series of reports: "Figures and Great Changes"; from the "News and Press Review" program]

[Text] Today's theme is: "The Level of Industrial and Agricultural Production Has Improved Noticeably."

China's rural production pattern has been obviously upgraded after the founding of New China, particularly since reform and opening up to the outside world. Marked by the emergence of village and town enterprises, the manufacturing industry, construction, transportation, commerce, and the food and beverage service industry in the countryside have enjoyed rapid development. The technical level of production also improved markedly.

By the end of 1993, the total national power capacity of agricultural machinery reached 318 million kilowatts, or 263 times that of 1957—which was shortly after the founding of the PRC—and the output of major industrial and agricultural products had risen sharply. During the 45 year period, grain production increased by 4 times; cotton, 8.4 times; steel, 561 times; raw coal, nearly 36 times; and electricity generation, nearly 191 times. We rank top in the world in the output of cereal, pork, beef, mutton, cotton, peanut, rapeseed, coal, cement, cotton cloth, and television set; second in chemical fiber and tea; third in steel and electricity generation; and fifth in crude oil.

#### Report on National Market Development Published

OW2509162894 Beijing XINHUA in English 1447 GMT 25 Sep 94

[Text] Beijing, September 25 (XINHUA)—An annual report on the development of China's market system, the first of its kind, has been published by the Development Publishing House.

The report includes a large amount of rare data, analyses and research reports about the development of China's market system over the period from 1979 to 1993.

Compiled by Sun Shangqing, director of the State Council Development Research Center and a well-known economist, the report was written by experts from a number of ministries and organizations under the State Council.

#### Official Urges Strict Training of Civil Servants

OW2509162094 Beijing XINHUA in English 1530 GMT 25 Sep 94

[Text] Beijing, September 25 (XINHUA)—A government official urged efforts to train and appraise the performances of civil servants strictly according to interim regulations concerning civil servants of the state.

Zhang Zhijian, vice-minister of personnel, told the closing session of the national meeting on the training and appraising the performances of civil service held in Qingdao City in east China's Shandong Province today that the work concerns the consolidation and healthy

development of the civil service system and it is necessary to institute a series of scientific and rational management system.

He said that training is an important means to discover, promote and bring up personnel and it should be standardized and made more scientific.

He called for the establishment of reward and punishment system and the mechanism of promotion and demotion so as to constantly renew civil servants and make government work more efficient.

Local officials attending the meeting exchanged experiences involving the classification, appraisal, rewards and punishments, disciplines and appointments concerning civil servants.

#### **'Market Mechanism' To Determine Wage Levels**

*HK2509053194 Beijing ZHONGGUO XINWEN SHE in English 0449 GMT 24 Sep 94*

[Text] Beijing, September 24 (CNS)—According to sources from China's Ministry of Labour, reform of labour and wage is now under way and a basic scheme for such a reform is available.

It is learnt that the general goal for wage reform in the country covers the following contents: the sum of wage will be regulated by market mechanism, the amount of employees' wages are decided by enterprises' performances and the gross sum of wages within the country is regulated and controlled by the state in a macro way.

Sources say that China will adopt several measures to reform its wage system in enterprises:

First, relax state control over the gross sum of wage set for enterprises which have autonomy over their wage levels.

Second, some state-owned enterprises will be chosen as trials for reforming their management personnel's annual salary system. Salary of enterprises' management personnel will have two parts, basic salary and the risk income. The former part will be decided by government labour department and be in line with the enterprise's various kinds of economic indicators and the latter will be approved by its immediate higher-up or determined by the enterprise's board of directors. The basic salary will be included in the enterprise's production cost while the risk income will come from enterprise's profits after deduction of taxes.

Third, some foreign-funded enterprises, private enterprises and share-holding companies limited will be picked out as trials in which employees' wage standard and increase of wage will be decided through collective consultation and negotiations within the enterprise.

#### **Departments, Trades Urged To Promote Work Ethics**

*OW2409084994 Beijing XINHUA Domestic Service in Chinese 1215 GMT 22 Sep 94*

[Text] Beijing, 22 Sep (XINHUA)—The All-China Federation of Trade Unions and the State Economic and

Trade Commission jointly issued the "Opinions on Promoting Socialist Work Ethics" recently.

The "Opinions" pointed out: During the shift to the socialist market economic structure, irregularities are still going on in various trades, professions, and departments despite repeated bans, and they are obstructing the market's normal and orderly economic operation. It is because the market is not yet fully cultivated; the legal system is inadequate; the new structure has not yet taken shape; and some cadres, workers, and staff members have been corrupted by bad thinking. Therefore, while opposing corruption and keeping the government clean and honest, we must take a further step to promote socialist work ethics.

The "Opinions" demanded: The efforts to promote work ethics must serve the general task of seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability. In addition to targeting the efforts at the workers and staff members of all trades and departments, it is particularly necessary to ensure good work ethics, honesty, and diligence among leading cadres and to correct such corrupt behaviors as abusing power to seek private gains, trading power for money, squandering and wasting, moral degeneration, and bureaucracy; it is necessary to ensure good work ethics among monopoly trades, as well as trades that are essential to people's everyday life, cultivate professionalism, and resolutely correct the irregularities of abusing power to seek private gains and hurt the people's interests; and it is necessary to ensure good work ethics in law-enforcement departments, promote the work style of acting strictly according to law, and oppose and correct the unhealthy tendencies of taking bribes and violating or bending the law among law-enforcement personnel.

The "Opinions" proposed the following ways to promote work ethics: Wide publicity should be given through the media to the promotion of work ethics. A code of conduct should be formulated. Various trades, professions, and departments should formulate their own code of conduct that suits their characteristics and reality. Factories, stores, schools, railways, highways, and party and government organs should foster their own fine work styles. The masses should be mobilized and encouraged to participate in activities promoting work ethics. It is necessary to promote interesting self-education activities so that more workers and staff members will be educated by taking part in the activities. It is particularly necessary to enlighten and educate workers and staff members with good examples set by their peers. It is necessary to step up research in both theories and practices with respect to the promotion of work ethics. The "Opinions" called on the trade unions and the economic and trade commissions at all levels, as well as all trades and departments, to place the promotion of work ethics on their daily agenda and include it in the responsibility system for leading cadres at various levels to attain certain objectives. From now on, a number of advanced organizations and individuals should be commended every year so as to keep promoting work ethics.

**Government Attempts To Solve Employment Problems**

OW2309174394 Beijing XINHUA in English 1418  
GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—China has been trying hard to solve the problems of employment and economic development since the founding of New China in 1949.

Information from concerned departments disclosed that China, as a country boasting huge labor resources, has so far established 17,000 intermediate job-finding service organizations, of which 15,000 were founded by labor departments of governments at various levels.

The country has also set up 2,500 job-training centers training an average of 1.1 million people a year.

Unemployment insurance is being practised. At present, 78.6 million workers in the country's 510,000 state-run factories and governmental departments and institutions are covered.

Meanwhile, the central government has provided relief to 1.2 million unemployed people and helped some 700,000 unemployed people to find new jobs.

The collectively-owned labor and employment service enterprises, which have been jointly set up by neighborhood districts in urban and rural areas, and governmental institutions since the late 1970s, are also playing a positive role in creating job opportunities.

Over the past few years the Ministry of Labor has worked out a series of effective measures and policies to help solve the shift of surplus labor from the country's rural areas to cities and the rapid growth of unemployment in urban areas.

Economic experts insist on the adjustment of planning and labor policies as a strategy to solve the prominent problems of the transfer of surplus rural labor and the existence of large numbers of unemployed people in urban areas.

They suggest that great efforts should be made to set up more rural industrial enterprises, and establish more social service businesses, while developing the "three highs" (high quality, high output and high efficiency) in agriculture and increasing the added value of farm produce in a bid to absorb more rural surplus labor.

In urban areas a rational adjustment should be made in the industrial sector, and the establishment of more labor-intensive and labor- and technology-intensive enterprises should be encouraged to generate more output value and create more job opportunities.

They added that a vigorous development of the service trades will be an effective way to absorb surplus labor in both rural and urban areas, and will optimize and improve labor productivity.

**Labor Ministry Plans To 'Alleviate' Unemployment**

HK2409063794 Beijing CHINA DAILY in English 20 Sep 94 p 1

[By Cao Min: "Campaign Launched To Push Up Employment"]

[Text] The State is planning to introduce a series of crucial reforms to alleviate the unemployment pressure.

The Labour Ministry has mapped out a two-year programme to expand the domestic labour market in a bid to keep urban unemployment below 3 per cent.

It will focus on developing an employment service system which integrates work exchanges with job training, unemployment insurance and setting up more labour service companies.

The nation faces an unemployment crisis because the labour supply will outstrip the demand for workers in the next few years, said Zhang Xiaojian, director of the ministry's Department of Labour and Employment, over the weekend.

By the turn of the century, China expects to see an additional 268 million new job-seekers—68 million in cities and some 200 million in the countryside, Zhang said.

"Within five years, the country's unemployment rate is expected to reach 4 to 5 per cent, despite the government's effort to increase job opportunities," Zhang said.

Under the new programme, public employment agencies and job training centres will be set up at the county level in two years.

Moreover, national and local governments have been urged to encourage residents to seek self-employment. Private labour service firms will also be key to fighting joblessness. They provide urban unemployed with temporary jobs like home moving and house cleaning.

These firms should expand their service by 5 per cent a year, while those State-run labour service firms are urged to expand by 15 per cent a year, according to the ministry.

The State will extend unemployment insurance to cover employees in all State-owned and private enterprises. And the re-employment rate for laid-off workers should be increased to 59 per cent, after they receive vocational training.

Organizations will be set up in 18 provinces, mostly coastal regions, to guide 60 per cent of the surplus rural workers into new urban jobs.

Labour departments should pay attention also to on-the-job training of qualified workers, upgrading or enhancing their skills for future employment.

Since 1980, the government has created millions of job opportunities. By the end of last year, there were 160 million urban jobs, 53 per cent more than in 1980.

The urban unemployment rate has remained steady at 2.5 per cent for the past 10 years—well below the 4.9 per cent registered in 1980.

"We try to deal with unemployment in the light of economic development and changes in the demand for workers," Zhang said.

### Report Defines Power of State, Local Tax Bureaus

HK2609113694 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 0851 GMT 19 Sep 94

[Text] Beijing, 19 Sep (ZHONGGUO TONGXUN SHE)—According to a report from the State General Administration on Taxation, the administration has issued a document explicitly defining the limitations of power of the state tax bureaus and the local tax bureaus in tax collection and management.

Tax registration, tax collection, and so forth, for foreign-invested enterprises, foreign enterprises, Sino-foreign cooperative oil enterprises, and the employees of these enterprises are put under the responsibility of the state tax bureaus in a unified manner.

Regarding the management of invoices, the State General Administration on Taxation clearly points out: Invoices specifically for value added taxes will be printed by the State General Administration on Taxation and ordinary invoices with unified forms used across the country shall be endorsed by the State General Administration on Taxation.

It is reported that by 15 September of this year, 11 provinces, municipalities, and regions, including Beijing, Tianjin, Hebei, have completed the division of power between state tax bureaus and local tax bureaus at the prefectural, city, and county levels.

### New Tax System Said 'Running Well'

HK2509081294 Beijing CHINA DAILY (BUSINESS WEEKLY) in English 25 Sep-1 Oct 94 p 2

[By Jin Man: "New Tax System Running Well"]

[Text] The nation's newly-adopted tax distribution system has not excessively burdened either local governments or businesses, a senior official said.

The tax revenue sharing system between the central government and localities was implemented to remedy the previous arrangement, which gave the central government inadequate income and provided disincentives for accurate reporting by localities.

"Enhanced central financial ability does not come at the expense of local governments," said Liu Jibin, Vice-Minister of the Ministry of Finance.

In fact, tax revenues at both levels have reported steady growth, he said.

According to the system, tariffs, consumption tax and certain other taxes related to the nation's macroeconomic control are collected by the central government.

Value-added tax is shared by central and local governments. Other taxes go to local government coffers.

Liu pointed out that the central government is responsible for national defence, foreign affairs, central administration and overall macroeconomic control.

Local governments oversee expenditure of local development.

And the central government will supervise construction of critical projects in infrastructure, agriculture, water conservancy and basic industry.

Liu reaffirmed that fast economic growth in the east will not be braked because of the new tax system, although the central government will allocate more funds to the poorer west.

Guangdong Province posted the strongest increase in tax revenues in the first half of this year.

China started to surrender more taxation power to local governments in 1978 when the country was engaged for the first time in market-oriented economic reforms.

But analysts argue that power devolution had gone to an extreme where the central government could hardly raise sufficient funds to exert macro control.

Under the old contracting system, local governments had only to hand over an agreed-on amount of taxes to the central government.

If more taxes were collected, they automatically fell into local pockets.

The biggest loophole in the system was that local responsibility was not legally-binding.

Some localities filed false reports of their financial performance in order to chisel-away taxes destined for central government coffers.

The worrisome financial status of the central government was partly to blame for rampant fixed-asset investment by localities last year, which eventually boosted inflation.

The tax sharing system, however has clearly defined the taxation rights of central and local governments, Liu said.

"In strengthening the central financial caliber, we have been walking a delicate rope so as to prevent a sudden loss of taxes for local governments," Liu explained.

That's why 100 billion yuan (\$11.7 billion) in State treasury bonds were issued at the beginning of the year.

Liu also said that 90 per cent of foreigners have seen their burden eased in paying individual income tax.

**'Fairer' Method for Taxing Expatriates Established**

*HK2609054994 Hong Kong SOUTH CHINA MORNING POST (BUSINESS POST) in English 26 Sep 94 p 1*

[By Foo Choy Peng]

[Text] In a move to standardise the tax treatment for foreigners, China has worked out a new and fairer method of taxing expatriates who spend less than a year in the country. In a circular to local tax bureaus, the State Tax Bureau (STB) states that generally a foreigner will now be taxed on the basis of the time he spends in China and his source of income.

Accounting firm Coopers and Lybrand says the change mainly affects chief representatives, expatriate employees and senior managers in foreign-invested enterprises (FIEs), and foreigners travelling frequently to the mainland for short-term duties.

"The main difference between the new and old practices is the introduction of time apportionment in taxing the income of certain categories of foreigners who have worked in China for under a year," said Marina Wong, a partner of the accounting firm. She said the change was in line with international practice and would be welcomed by foreign companies, many of which had representative offices in key cities such as Beijing, Shanghai and Guangzhou.

Some chief representatives of foreign firms spent little time in China while others were required to travel extensively overseas sometimes for as long as several months. "It is not uncommon to find chief representatives in China taking on a regional role or another role in Hong Kong," she added. Under the existing practice, a chief representative is deemed to have received his income from an employment in China and most local tax bureaus would require him to report a reasonable amount of income for tax purposes.

"The time-apportionment method has rarely been accepted by the bureaus in determining the tax liability of chief representatives," said Ms Wong. Now, the STB says a chief representative may be taxed on the basis of his physical presence in China. But the 90-day tax exemption—or 183 days for residents of treaty countries will not apply to him.

It also says a foreign employee who is seconded to FIEs in China and is partly paid by the FIEs and partly by their foreign employers, will continue to be taxed on both portions. But the income attributable to days spent outside China will not be taxed if his presence in China is less than a year. If he has resided in China for one year or more, only the portion paid by the foreign employer and attributable to his services outside China can be excluded from tax. The STB also affirms that a foreigner who travels frequently to China to perform duties will be subject to tax, based on the number of days he resides in China. But if he does not reside in China for more than 90 days, or 183 days for treaty country residents, during a calendar year, he would be exempted from tax if his salary is paid for by the foreign employer.

Interestingly, the STB makes no concessions for the income of senior managerial staff. A foreigner taking up a senior position will be subject to tax on the portion of income paid for by the FIE in China, regardless of whether he has rendered any services in the country. But where part of his income is paid for by his foreign employer, he will be taxed on the basis of the number of days he is physically present in China. The STB does not define what constitutes a senior managerial post, but Coopers and Lybrand believes it refers to the posts of general manager, deputy general manager and director.

**Policies To Promote Agricultural Development**

*HK2509052094 Beijing ZHONGGUO XINWEN SHE in English 0543 GMT 24 Sep 94*

[Text] Beijing, September 24 (CNS)-Policies on Agricultural Comprehensive Development released recently by the State Council stress that agricultural comprehensive development is one of the important measures taken by the government to protect and support agricultural development and exercise macro-control.

Agricultural comprehensive development means to improve agricultural production conditions including agricultural ecological environment through harnessing and exploitation of natural resources so as to raise production capacity of main agricultural products such as grain, cotton, edible oil, meat and sugar, increasing sustaining power of agricultural development. Among them, harnessing and exploitation of land resource are mainly to improve low and middle-yield farmland, reclaiming wasteland including dried riverbed and expanding area of grassland and oases.

Policies also stipulate that funds for purpose of agricultural comprehensive development are composed of public finance, banks' special loans, self-raised funds and capital introduced from overseas, all will be pooled for projects approved by the state.

## East Region

### Fuzhou Attracts Overseas Investment During Trade Fair

OW250914394 Beijing XINHUA in English 1247  
GMT 25 Sep 94

[Text] Fuzhou, September 25 (XINHUA)—Fuzhou, capital of southeast China's coastal Fujian Province, was a big winner in attracting overseas investment during a trade fair closed here recently.

Statistics show that at the 1994 Fujian Investment and Trade Fair, Fuzhou ranked first in the province in the number of project agreements signed, in total investment value, in the amount of utilization of overseas funds and in the value of contracted overseas investment.

The Fuzhou Economic and Technology Development Zone beat all its 45 counterparts nationwide during the fair to sign 64 agreements involving 423 million U.S. dollars.

The success was another indication of the momentum of influx of overseas investment into the city.

By the end of July, Fuzhou had approved a total of 3,430 foreign investment projects, of which 1,430 are in operation.

The momentum shows the following features:

There are more wholly foreign-owned ventures. Between 1979 and 1989, the city approved 88 such ventures, accounting for only 14 percent of the total overseas-funded projects. Last year alone, however, saw 698 agreements on the establishment of wholly foreign-owned projects.

The investment scale has been expanding. In 1990, the average overseas investment was 1.88 million U.S. dollars. In the first half of this year, however, the average level rose to 3.35 million U.S. dollars.

Investment sources have been diversified. While most of the investors came from Hong Kong, Macao, Taiwan and Japan in the first years, now it has attracted investors from over 30 countries and regions. During the fair, the number of business people from Japan, the Republic of Korea, the United States and Europe increased remarkably.

Investment areas have been extended. The overseas investors used to concentrate on several investment "hot spots" such as the economic development zones and the bonded zones. Now they began to take interest in other areas of the city. For example, Pingtan county, a previous "cold spot", signed five agreements worth 100 million yuan (about 11 million U.S. dollars) during the fair.

With pleasant climate, fertile soil and abundant natural resources, Fuzhou, home to many overseas Chinese and

Taiwan compatriots, is among the earliest coastal cities open to overseas investment.

Over the past few years, the city government has invested more than 10 million yuan in the construction of airport, deep-water harbors, transportation, communication, water supply, and gas facilities, as well as trading, commercial, and recreational centers.

The Changle International Airport, which is now under construction, will accommodate such jumbo jets as the B747-400, and MD-11, and is capable of handling an annual passenger flow of 10 million people when operational.

Dozens of berths of the city's ports are in use now, of which seven can accommodate 10,000-ton ships, and one can handle 30,000-ton ships.

The city now has been linked with 400 Chinese cities and 150 countries and regions by direct dialing.

Constant efforts have been made to improve the environment for the enterprises involving overseas investment. The city government has worked out other 10 preferential policies aimed to reduce the burdens of these enterprises.

### Xiamen's Foreign-Funded Firms Show 'Good Performance'

HK2409083594 Beijing ZHONGGUO XINWEN SHE in English 0835 GMT 23 Sep 94

[Text] Xiamen, September 23 (CNS)—Xiamen Special Economic Zone has seen a steady development in utilizing foreign capital. Correspondingly, foreign-funded enterprises in Xiamen have shown good performance with a rapid growth in output, export and taxation.

The director of the general office of the municipal Foreign Investment Committee, Mr. Wu Jie, said foreign-funded enterprises in Xiamen in the first seven months had an industrial output of RMB [Renminbi] 8.01 billion, representing 66.82 percent of the city's total industrial output, which was also a rise of 9.07 percent over last year. Taxation from these enterprises reached 465 million, accounting for 26.14 percent of Xiamen's total taxation. The first eight months saw the total output of foreign-funded enterprises to reach U.S.\$1.387 billion, of which export was U.S.\$800 million, increased by 30.09 percent over the same period of last year; import was U.S.\$588 million, increased by 49.76 percent.

Utilization of foreign capital in Xiamen Special Economic Zone has still climbed up steadily this year. In the first eight months, the city approved 477 foreign-invested projects, involving a total investment of U.S.\$1.928 billion. Within this period, U.S.\$790 million was actually in place and 289 enterprises were set up, said Mr. Wu Jie.

Xiamen has made a breakthrough in utilizing foreign capital for infrastructural construction. Compared with

last year, foreign investment in power and transport industries has increased by 60 percent. Remarkable progress has also been made in utilizing foreign capital in power facility industry with the setting up of a power plant in Xiamen for the first time.

Yongchang Electricity Generating Ltd. Co., a newly approved company with a total investment of U.S.\$ 24 million, will be operational by the end of this year. In July, Xiamen Huaxia International Power Development Ltd. Co., Xiamen's largest foreign-invested project with a total investment up to US\$ 217 million, has been approved by the Ministry of Foreign Trade and Economic Cooperation.

#### Shandong Courts Sentences Former Mayor to 8 Years

HK2309145694 Beijing ZHONGGUO XINWEN SHE in English 1124 GMT 23 Sep 94

[Text] Jinan, September 23 (CNS)—According to the Shandong Provincial Higher People's Court, former mayor of Binzhou City, Yang Yongxin, is sentenced to eight-year imprisonment for his crime of taking bribery of RMB [renminbi] 44,000 on 16 occasions within three years.

Verdict of criminal Hu Shuning, together with other two criminals, was also handed down. Hu Shuning, accountant of the branch of the Agricultural Bank of Linqi City, was charged of appropriating public funds of RMB 5.47 million and embezzling RMB 24,000, RMB 730,000 of appropriations failed to be recovered. Hu was sentenced to death penalty.

From August of last year till this August, 3,889 economic cases of various kinds had been handled by people's courts at various levels in Shandong with 6,597 criminals punished and economic loss of RMB 110 million recovered. Among these criminals, 170 were sentenced to death penalty or life imprisonment, 1,617 to five-year or above term of imprisonment. Five criminals were each involved in illegal earnings of over RMB 1 million.

#### Shandong's Foreign Trade Firms Report Export Increase

SK2309042594 Jinan Shandong People's Radio Network in Mandarin 2300 GMT 22 Sep 94

[Text] Since the beginning of this year, the foreign trade enterprises across the province have promoted an increase in exports by positively implementing the strategy of developing the export-oriented economy to promote the overall economic development. By the end of August, the value of exports of the province reached 4.78 billion yuan, an increase of 33.6 percent over the corresponding period last year.

#### Shandong Province Hosts Economic, Trade Fair

OW2409011794 Beijing XINHUA in English 0042  
GMT 24 Sep 94

[Text] Jinan, September 24 (XINHUA)—94' Jinan Golden Autumn Economic and Trade Fair opened on Friday [23 September] in Jinan, capital of east China's Shandong Province.

A Longshan culture festival started concurrently with the trade fair.

More than 1,500 overseas businessmen from over 20 countries and regions and thousands of Chinese businessmen took part in the fair.

During the fair, talks for trade and economic cooperation, commodity displaying, exchange of people with expertise and investment-promotion gatherings will be conducted.

Jinan city put forward more than 1,800 projects inviting cooperation and investment. Among them, more than 200 large projects will involve a total of 3 billion U.S. dollars.

#### Shandong's Rizhao City To Build Food Industrial Zone

OW2409041594 Beijing XINHUA in English 0309  
GMT 24 Sep 94

[Text] Jinan, September 24 (XINHUA)—Rizhao city of east China's Shandong Province recently signed a contract with a Hong Kong conglomerate and a Japanese investment corporation for building a new food industrial zone.

According to local officials, the zone will be located in the development area of Rizhao city, which is known for producing a large number of farm produce and by-products, and aquatic products each year.

The zone will cover about 166.7 hectares. The whole project will cost 500 million U.S. dollars.

Located on the middle of the Chinese coast, Rizhao city has been listed by Shandong Province as one of its four major "windows" of opening to the outside world.

A special company, Rizhao Food Industrial Investment and Development Corporation, was also announced to be established for attracting investment to the projected food industrial zone.

The officials added that the company will import advanced food processing technology and equipment from Japan to process locally-produced farm products and aquatic products.

Eighty percent of the company's products will be exported after it has gained production capacity, officials said.

**Shanghai Mayor Meets With U.S. Consulting Company Head**

OW2309175794 Beijing XINHUA in English 1502  
GMT 23 Sep 94

[Text] Shanghai, September 23 (XINHUA)—China's prospects for development in the future is encouraging, George Shaheen, president of the Andersen Consulting Company of the United States, said here yesterday.

"We attach great importance to China and will actively expand our business in China," said Shaheen, who is visiting Shanghai.

During his stay in Shanghai, Shaheen met with Mayor Huang Ju, visited the Pudong New Area and Jiaotong University, and held talks with local government officials and business executives.

The Chicago-based Andersen Consulting Company is considered the leading consultancy firm in the United States, with 150 offices and branches in 47 countries and region.

The company's turnover amounted to 3.5 billion U.S. dollars in the year ending on August 31, 1994.

The company scored a 20 percent increase in its global business volume and a 27 percent increase in its business in the Asia-Pacific region in the just-ended year, he said.

It began operating in China two years ago and now has a subsidiary company in Beijing and another in Shanghai, he said.

Shaheen said that his company currently provides consultancy service concerning the establishment of a joint Sino-foreign motorcycle venture in Foshan, Guangdong Province.

It is helping installing computerized accountant and financial systems and systems for production management in the venture, he said.

It has trained personnel together with the Shanghai-based Jiaotong and Fudan universities and the Beijing-based Qinghua University, he said.

It has also participated in bidding for a number of projects, including providing consultancy services to China's national financial clearing system.

"Our cooperation with Chinese partners is preliminary. However, China is a potential huge market with encouraging development prospects," he said.

"So I think we have a great potential in expanding consultancy services in China," he added.

He said that his current visit is intended to gain a better understanding of Shanghai, as well as the whole of China.

"Seeing is believing. China has experienced great changes, so has Shanghai," he said, adding that his company attaches importance to Shanghai, as well as to China.

He promised to promote the company's operation in China in order to provide quality services to China's economic construction.

"We are ready to help Chinese businesses, especially state-owned enterprises, improve their managerial standards and their efficiency in making operational decisions, and help them gear to the international market so as to achieve better economic returns," he said.

He expressed the belief that his company will make great successes in China in five years' time.

**40 Percent of Shanghai's Employees 'White-Collar'**

OW2509161994 Beijing XINHUA in English 1422  
GMT 25 Sep 94

[Text] Shanghai, September 23 (XINHUA)—Technical professionals, enterprise managerial personnel, public servants and salespersons make up 40 percent of the employees in this economic center of China.

The municipal science and technology commission predicted that the "white-collar" posts will grow at a four percent annual rate.

The "white-collar" population among the city's total increased from 29.8 percent in 1982 to 36.2 percent in 1990, and further to about 40 percent now.

The surging "white-collar" population is accompanied by the rapid development of foreign-funded enterprises and upgrading of existing enterprises. Statistics provided by the municipal statistics bureau showed that by the end of last year, there had been some 7,000 foreign-funded enterprises in the city, which has a population of more than ten million.

There are more than 400 foreign-funded companies in Hongqiao Development Zone, with 20,000 Chinese employees. 75 percent of them are aged between 25 and 35, and 25 percent above 35. Their monthly income ranges between 1,000 yuan and 3,000 yuan, one to six times that of a local "blue-collar" worker.

The majority of the new "white-collar" workers are graduates from colleges and universities, who have some knowledge of foreign languages, computers and industrial and commercial trade.

Having analyzed advertisements carried in major media this year, some social scientists concluded that job-seekers who have a knowledge of computers, foreign languages and other skills have nearly ten times greater chances of being recruited than those who do not.

According to the Shanghai Academy of Social Sciences, the growth rate of "white-collar" posts nearly double that of "blue-collar" ones.

By 2000 Shanghai will have a demand for 1.6 million professionals, according to Shanghai Science and Technology Commission.

Experts said the growing "white-collar" population is an inevitable result of the improvement of Shanghai's industrial structure. And it also indicates that Shanghai is moving toward becoming an international metropolis, economists said.

### Shanghai Prepares For National Day Celebrations

OW2509143994 Beijing XINHUA in English 1322  
GMT 25 Sep 94

[Text] Shanghai, September 25 (XINHUA)—Colorful floats, lights and fireworks display will be part of the activities to mark the 45th anniversary of the founding of New China on October 1 in east China's Shanghai City.

An official in charge of the national celebrations with the municipal government said today that some 70 floats donned with colorful decorations showing the progress and achievements Shanghai has made during the past 45 years will pass through major streets in this largest city of China.

Fireworks display, five times that lit on the 35th anniversary, will be lit on the eve of the National Day. Colorful lights will be installed on a major television tower and the people's square as well as along major Shanghai streets.

In addition, all leading parks in the city will stage entertainment programs on the day to attract local residents.

Like Shanghai, all the Chinese cities are preparing for the celebrations of the National Day.

### Shanghai Profits From Reform, Opening Up

OW2609080294 Beijing XINHUA in English 0740  
GMT 26 Sep 94

[Text] Shanghai, September 26 (XINHUA)—The reform and opening-up drive initiated in China 15 years ago has brought about great changes in Shanghai, Sun Zuyao, director of the Shanghai Municipal Statistics Bureau, said here Friday [23 September].

The Shanghai economy has witnessed a sustained, rapid and healthy development, he said. The gross domestic product in 1994 is expected to grow 2.8 times as compared with 1978, at an annual growth rate of 8.7 percent. The annual economic growth rate for the recent three years has been rising by more than 14 percent, higher than the national average increase.

The proportion of service industry in the gross domestic product increased from 31.8 percent in 1991 to about 40 percent in 1994. The economic growth is propelled by both the second and tertiary industries, and the industrial structure is switching to technology-intensive and capital-intensive industries.

At the same time, reforms in economic system are developing in depth and have been conducted in state-run enterprises on the whole. The market mechanism is playing an increasingly important role in regulating prices and the distribution of resources.

Shanghai is one of China's largest foreign trade ports. Its export volume rose 2.9 fold this year over 1978, representing an annual growth rate of seven percent. Its exports increased by 14 percent annually during the past three years. During the January-August period of this year, the municipality signed contracts on 2,722 foreign-funded projects, which involved foreign funds of more than seven billion U.S. dollars, equaling the total for last year.

Apart from industrial projects, such fields as banking, trade, real estate, tourism, information and consultancies have also attracted foreign investors.

Great changes have taken place in the city's infrastructure construction, in which, local authorities had invested 66.3 billion yuan during 1979 and August this year. Moreover, the communication network and the environment have greatly improved.

Dramatic progress has also been made in science and technology, education, culture, health care and sports. Since 1979, more than 20,000 major research findings have been made in the scientific and technological field.

Meanwhile, the people's living standards have been improved remarkably. The average annual wage income for workers grow by 34.8 percent this year over 1991. Household appliances such as color TV sets, refrigerators, washing machines, camcorders, air-conditioners and computers have entered into more and more ordinary resident homes. Per-capita housing rose from 4.5 square meters in 1978 to the present 7.3 square meters.

### Shanghai Customs Officers Foil 20 Smuggling Cases

OW2309103394 Beijing XINHUA in English 0812  
GMT 23 Sep 94

[Text] Shanghai, September 23 (XINHUA)—Shanghai customs officers have uncovered 20 smuggling cases in which fake customs papers, seals and signatures were used, customs officials said.

The cases involved some 50 million yuan.

The customs intercepted a smuggling case involving 3,051 tons of coiled steel worth 1.13 million U.S. dollars. Counterfeit customs bills, seals and signatures were found to have been used in the case.

Three suspects are being investigated.

In another case, a company reported the import of nearly 100 tons of acrylic fiber. It turned out that the goods registration handbook, the customs serial number, customs seals and the company's seal were all fake.

Customs officials also pointed out that containers are increasingly being used for smuggling. Smuggled air-conditioners, color TV sets and other contraband have been found in containers many times. In addition, non-trade channels are used for smuggling, for most part, pornographic materials, cultural relics and drugs.

From January to August this year the Shanghai customs intercepted 1,016 items of pornography and nearly 700 cultural relics.

#### **Shanghai Sentences, Executes Accused Murderers, Thieves**

*OW2209221294 Shanghai People's Radio Network in Mandarin 2300 GMT 21 Sep 94*

[From the "990 Morning News" program]

[Text] On 21 September, the Shanghai Municipal Intermediate Court publicly tried and passed judgments of first incidence concerning 19 defendants involved in eight violent criminal cases.

(Zeng Guoqing), murderer and gangster; (Ding Yong-hong) murderer, kidnapper, rapist, and robber; (Ding Zhihong), kidnapper and robber; and (Xu Fugen), (Li Genmei), (Yu Guanwei), murderers and robbers, were sentenced to death. Other criminals were sentenced to death with reprieves and jail terms.

At the same time, the court announced the crimes of murderers including (Tian Suihui), (Yang Yiwu), (Wang Zubao), and (Shi Zongqing); (Jiang Xueyong), who was found guilty of murder, robbery, and embezzlement; and (Zhang Hao) and (He Yiwei), who were found guilty of robbery. The court also announced the death orders from the Shanghai Municipal Supreme Court for these criminals. The criminals were escorted to and shot at the execution ground.

In accordance with the order of the Shanghai Municipal Supreme Court, the Shanghai Railway Transportation Intermediate Court executed robber (Lin Jianxin) and thief (Song Minghui) yesterday [21 September].

#### **Zhejiang Official Discusses Religious Issues**

*OW2209113494 Hangzhou ZHEJIANG RIBAO in Chinese 8 Sep 94 p 7*

[Unattributed report: "Strengthen Religious Affairs Management and Protect Normal Religious Activities—A Person in Charge of the Provincial Religious Affairs Bureau Answers Reporter's Questions"]

[Text] Some readers have written us to inquire about religious issues. This reporter recently interviewed the

person in charge of the Zhejiang Provincial Religious Affairs Bureau on this matter. The following are his brief answers to questions our readers are concerned about:

Question: Currently, what laws and regulations concerning religions does China have?

Answer: The principles of China's law concerning religions are mainly written in the Constitution. In addition to these principles, specific stipulations concerning religion are also included in some of the country's important laws. Special religious laws are being drawn up. To strengthen control over religious affairs according to the law, Premier Li Peng signed and promulgated on 31 January of this year the "Provisions Governing Foreigners' Religious Activities in the PRC" (State Council Decree No. 144) and the "Regulations on the Management of Religious Activities Sites" (State Council Decree No. 145). These are two important administrative regulations with which the Chinese Government manages religious affairs; they were enacted in accordance with the Constitution and the country's long-held policy of freedom of religious belief. The promulgation and enforcement of these provisions and regulations have further improved and strengthened the country's legislation on religious affairs. Moreover, the Zhejiang Provincial Government promulgated in April 1992 the "Zhejiang Provincial Provisions Governing Religious Activities" (Zhejiang Provincial Government Decree No. 25).

Question: What kinds of religious activities are protected by the law?

Answer: In accordance with the spirit of the Constitution and other laws and regulations concerning religion, citizens believing in a religion must conduct religious activities according to the law. Following their religious teachings and regulations, and conducted by religion-believing citizens at religious activities sites approved by a government at or above the county level, the following are regarded as regular religious activities and are therefore protected by the law: worshipping Buddha, chanting the Buddhist sutra, burning joss sticks, attending religious services, praying, conducting Mass, receiving baptism, initiating people into monkhood or nunhood, practicing fasting, holding memorial services, explaining Buddhist scripts, preaching, and celebrating religious festivals. On the other hand, practicing divination, telling fortunes by analyzing the component parts of a Chinese character, practicing geomancy, fortune telling, vanquishing evil spirits using the name of god, drawing divination lots, chanting incantations, practicing planchette writing, calling back the spirits of the dead, and doing things to fulfill people's dreams—these are all feudalistic superstitions. Those who use religion to spread heretical beliefs, fan up religious fanaticism, or mislead people for the purpose of swindling them out of money, and those who engage in criminal or counterrevolutionary activities in the name of conducting religious activities, should all be severely dealt with according to the law, no matter who they are or where they are from.

**Question:** What requirements should be met to set up religious activities sites?

**Answer:** To set up religious activities sites—namely, Buddhist temples and nunneries, Taoist temples, Islamic mosques, churches and meeting places of Catholicism or Christianity, and makeshift activities centers where religious believers gather regularly—the following requirements must be met: First, there must be a fixed address and name, as well as persons in charge or an organization made up of religion-believing citizens for the management of the site; there should be specialized religious personnel or persons in charge to preside over religious activities; there must be religious believers who regularly attend the religious activities. In addition, organizers should establish a management system that does not violate the Constitution and relevant laws and regulations. Also there must be a legal financial source. Moreover, approval must be obtained from a city or county government before a religious activities site is set up, and the establishment must be registered.

**Question:** Why should religious activities sites be registered?

**Answer:** To register religious activities sites according to the law is a legal procedure that must be followed to legalize religious activities, as well as a prerequisite and an important means for the government to manage religious activities sites according to the law. Registering and managing according to law is a legal obligation that must be fulfilled by all enterprises, institutions, and other civil organizations in China; it is also a long-held practice for religious organizations of all countries to abide by their countries' laws. The purpose of doing so is to enable the government to establish a legal foundation for managing religious activities sites; and, while protecting according to the law the legitimate rights and interests of practitioners and normal religious activities on these sites, to prevent disorderly and illegal activities, to crack down on criminal activities, to maintain social stability, to enable the government's religious affairs departments and other concerned departments to strengthen religious affairs management according to the law, and to enable these sites to be constantly improved, in order to ensure citizens' freedom of religious belief.

Registration of religious activity sites will also enable the public to differentiate normal religious activities conducted at these sites—which are protected by the law—from feudalistic superstitious activities, which are not a part of religious activities, so that religious activities sites will be better understood and respected by people, and so all kinds of illegal activities conducted under the guise of religion, and infiltrations conducted using religion as a cover by hostile forces outside the country will be effectively prevented and punished by law.

**Question:** What rights and responsibilities do custodians of approved and registered religious activities sites have?

**Answer:** The normal religious activities, property, and other legitimate rights and interests of approved and

registered religious activities sites are protected by the law. These people are authorized to manage their personnel, to handle their religious activities and other matters, to receive donations from their religious followers, to sell—on site—religious articles and religious books and periodicals of which distributions have been approved by a religious affairs department of a government at or above the provincial level. They are also responsible for the management and use of their property; for protecting religious and cultural relics, scenic spots, and historical sites; for organizing their personnel to engage in productive work and public welfare activities; and for protecting their own legitimate rights and interests. In holding religious activities at religious activities sites, the organizers must abide by the Constitution and relevant laws, regulations, and other government rules. They must not disrupt regular work, production, daily life, and study, and must not impair citizens' health. Religious activities should be presided over by specialized religious personnel or persons in charge accredited by a religious organization at or above the county level. People other than these are not allowed to preside over religious activities or to perform religious duties. Religious activities sites must obtain approval from a religious affairs department of a city or county government before holding training classes. They also must complete residence registration as stipulated by relevant regulations before they are allowed to let visitors stay in their sites. While they are in China, religious believers who are Hong Kong, Macao, or Taiwan compatriots, and overseas Chinese and foreign religious believers, may lead a religious life at religious activities sites approved and registered by the government. But they must abide by the Chinese Constitution and law and the regulations concerning religious activities sites. They are not allowed to do missionary work or disseminate religious propaganda materials. Without approval from a religious organization at or above the provincial level, religious figures from outside the country are not allowed to take part in presiding over religious activities.

### Central-South Region

#### Guangzhou Educational Symposium on Studying Deng's Works

HK2309021494 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 19 Sep 94

[Text] The national symposium of educational institutions on studying Deng Xiaoping's works and his theory of building socialism with Chinese characteristics was held this morning at Guangzhou's Zhongshan University. The theme of the symposium is to deeply study the main contents of Deng Xiaoping's theory of building socialism with Chinese characteristics, and its adherence to and development of Marxism, Leninism, and Mao Zedong Thought. The meeting will deeply consider such important theoretical questions as: What is socialism? How should we build socialism? How can we improve and perfect the socialist market economic structure?

The meeting also will deeply study Comrade Deng Xiaoping's ideas through combining theory with practice. The symposium will select some outstanding people to represent the educational institutions in attending the national symposium to be held in December. The current symposium will last until 23 September. Zhang Xiaowen, vice minister of the State Educational Commission, and Li Youjun, standing committee member and propaganda department director of the provincial party committee, attended the meeting.

#### Death Sentence Suspended for Hainan Official

OW2309144794 Beijing XINHUA Domestic Service in Chinese 0630 GMT 23 Sep 94

[Text] Haikou, 23 Sep (XINHUA)—According to the Hainan Provincial Higher People's Court, Li Shanyou, former deputy secretary general of the Hainan Provincial Government, was sentenced to death and was deprived of political rights for life, at the first trial by the Haikou City Intermediate People's Court, on charges of accepting large sums of bribes and intentionally framing others. The execution of his death sentence was suspended for two years. The sentence was approved on 20 September by the Hainan Provincial Higher People's Court.

From 1991 to May 1993, Li Shanyou, 54, accepted bribes totalling 430,000 yuan in cash and 80,000 yuan in stocks. The Haikou City Intermediate People's Court held that Li Shanyou accepted extraordinarily large sums of bribes, and therefore should be sentenced to death. However, after he was arrested on charges of framing others, he confessed all his bribery-related crimes on his own and returned all the bribes. Based on the policy of "giving leniency to those who confess, and severely punishing those who refuse to," the court sentenced Li Shanyou to death, suspended the execution of his death sentence for two years, and deprived him of political rights for life.

It has been learned that, before the trial, concerned party and government organs expelled Li Shanyou from the party and removed him from his administrative post.

#### Defense Enterprises Play Role in Hunan's Economic Growth

OW2309174194 Beijing XINHUA in English 1421 GMT 23 Sep 94

[Text] Changsha, September 23 (XINHUA)—National defense scientific and technological industrial enterprises are now playing a leading role in the economic construction of central China's Hunan Province.

According to local officials, by combining the advantages of natural resources, the market, and scientific progress, these enterprises have developed more than 600 kinds of civil-use products or commodities for universal purposes, of which 178 kinds are capable of mass production.

Hunan, home province of the late Chairman Mao Tsetung and a leading grain producer, is one of the areas where many national defense scientific and technological industrial enterprises are situated.

The central government had invested more than three billion yuan to establish a strong network of aerospace, weapons, nuclear power and electronics industries in the province.

Hunan still holds advantageous positions in the fields of more than 50 items of advanced manufacturing technologies such as telemetering and lasers, and has a strong ability to develop new products.

Local officials said that among products made by the industrial enterprises for national defence, 70 percent are civil-use ones. Last year, export of civil-use products turned out by these enterprises earned 73.15 million U.S. dollars.

Over the past few years local national defense scientific and technological industrial enterprises have also transferred the use of more than 200 items of sophisticated technology to local civilian institutions, which has helped bring about an extra 3.5 billion yuan in output value.

Meanwhile, these enterprises have established economic and technological cooperation relations with a dozen foreign countries and regions.

#### Hunan Reports Results After 15 Years of Reform

HK2209151594 Changsha Hunan People's Radio Network in Mandarin 2300 GMT 14 Sep 94

[Text] In the 15 years since the beginning of reform and opening up, great results have been achieved in this province in the aspect of developing foreign economic relations and trade. In 1993, Hunan's gross volume of imports and exports reached \$2.34785 billion, 14.63 times as much as in 1978. Foreign exchange earned through exports amounted to \$1.61245 billion, 13.19 times as much as in 1978. From January to August this year, the province made \$1.34 billion of foreign exchange income through exports, an increase of 37.52 percent over the same period last year.

In the past 15 years, institutions in charge of and involved in foreign economic exchanges and trade in Hunan formulated the guideline of promoting development through reform, promoting transformation through the introduction of advanced foreign technology, and promoting foreign trade through the expansion of foreign economic relations in accordance with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics. Opening to the outside world was expanded continuously. At the same time, large-scale activities to promote opening to the outside world were organized every year. Trade fairs and business negotiations were held. As a result, import and

export business, as well as the work of introducing foreign investment, made rapid progress.

While expanding opening up, Hunan's foreign economic relations and trade institutions also stepped up reform and transformed enterprise operational mechanisms. In the past 15 years, and especially in the last few years, the provincial commission for foreign trade and economic cooperation delegated more powers to subordinate enterprises, and streamlined the administrative structure. This enabled the enterprises to operate more independently, to bear sole responsibility for their own profits and losses, and to increase their self-development and self-improvement ability. This also promoted the rapid development of Hunan's foreign economic exchanges and trade.

### Shenzhen Invests in Inland Areas

HK2609104794 Hong Kong TANGTAI No 41 in Chinese, 15 Aug 94 pp 4-5

[By Lu Yushan (7627 6276 2619) in Beijing: "Shenzhen's 'Economic Northern Expedition' Under Jiang Zemin's Instructions"]

[Text] During a recent period, Jiang Zemin, the general secretary of the CPC and Chinese president, made several inspection trips to the south. In places like Shenzhen and Zhuhai, he inspected military troops and enterprises and paid special visits to Taiwan businessmen there. People all have the feeling that Jiang

Zemin is making painstaking efforts to establish his own influence. During his inspection trips, wherever he went, he never forgot to set up a good relationship with the local governments with an aim to consolidating his own strength. Take for example his latest inspection trip to Shenzhen. He instructed and encouraged Shenzhen to engage itself in an "economic northern expedition." Even Shenzhen Mayor Li Youwei was taken by surprise when he heard this instruction, for what the leaders of Shenzhen had always worried about in the past was that the central authorities would tighten policies and impose more restrictions on the city out of fear that local governments would grow excessively in strength. Therefore, as soon as he got the word from Jiang Zemin, Li Youwei immediately set to work and put forward several important views on 11 July on how Shenzhen enterprises could invest in inland areas and consequently bring further development to themselves. What he said merits attention, for it can be deemed a more systematic program on how Shenzhen carries out its future "economic northern expedition."

### Instructions Made in Shenzhen Can Help Consolidate His Position

According to sources who are familiar with the situation, judging from the current national strategy, Jiang Zemin has his reasons to encourage Shenzhen to make an "economic northern expedition." Now ranking among

regions which enjoy the fastest economic growth, Shenzhen has great potential to bring along the economic development of inland areas; therefore, it is quite reasonable for China to use the strength of Shenzhen to develop its inland areas.

Besides, Jiang Zemin also instructed Shenzhen not to set its eyes only on the markets of inland areas but should also try to introduce foreign investment into inland areas and carry out joint cooperation. With many years of experience in dealing with the outside world, Shenzhen has the conditions to make a success in this aspect.

Relevant sources have also noted that Jiang Zemin's instructions and arrangements really mean important support for the leadership of Shenzhen City, and will also bring benefits to inland cities in which Shenzhen has interest to invest. Jiang Zemin once said: "When highways and bridges are built, people will all make use of them. Those who use the bridge to cross the river will always remember the builders of the bridge." It can thus be seen that such an encouragement can help Jiang Zemin establish a good relationship with all local governments and consolidate his power in the central leadership.

### Shenzhen Has Already Set Up More Than 100 Enterprises in Shanghai

On the part of Shenzhen, Jiang Zemin's instructions are as powerful as the extremely authoritative imperial sword. Over a long period of time, Shenzhen has been silently putting its capital into the inland markets. For example, Shenzhen's enterprises have already set up 140 enterprises in Shanghai and even in places as remote as the three northeastern provinces, Shenzhen has established not less than 100 solely invested or jointly invested enterprises. Although it can help consolidate Shenzhen's economic strength, such a practice will lead to a strained relationship with the central authorities. It is true that the central authorities have often stressed the need to set up transregional economic groups; however, it does not mean that the central authorities are willing to allow a local government to carry out the development on its own. What the central authorities hope is that different localities can coordinate with others, aiming to bring about common prosperity. Therefore, to "transfer its capital northward," Shenzhen has to "hasten with mouth gagged" and remain low-key.

### Jiang Zemin Hopes That Shenzhen Can Bring Along the Market Development of the Whole Country

When relaying Jiang Zemin's instructions, Li Youwei put special emphasis on the main points of the instructions: "During his inspection trip to Shenzhen, Comrade Jiang Zemin called on special economic zones to voluntarily make contributions to the development of the country's unified socialist market economy. To successfully implement the spirit of General Secretary Jiang's remarks, one primary condition is that Shenzhen should first attain success in developing itself. Enterprises in

Shenzhen should promptly gain dominance by forming transprovincial and transnational companies. Therefore, Shenzhen's enterprises should expand themselves beyond the bounds of the city, persistently establish lateral links with inland areas, and gradually make themselves stronger. They should not constrain themselves in the small world of Shenzhen of only 2,000 square meters."

Li Youwei said: "If an enterprise does not have the ability to expand beyond the bounds of this city, how can it become a transnational company? Therefore, the city party committee and government should give strong backing to enterprises which plan to expand their business in inland areas, so long as they can find markets and enjoy good efficiency and quality." However, he added: "Shenzhen has not yet worked out a fixed plan on what road it should take to expand itself beyond its bounds or to promote lateral ties with inland areas. This remains a subject which needs further study and exploration."

Li Youwei gave a four-point view on this issue:

**First, we must act according to our capability and keep expenditure within the limits of income. We should not blindly expand ourselves without considering our real capability.** If we make blind investments in other areas without first reinforcing our own economic strength and management ability, all our investment attempts will be foredoomed to failure. Therefore, only when enterprise groups are first set up and have equipped themselves with sufficient strength and ability to develop and invest in inland areas can we put our investment plans into practice. In such a way, we will successfully reduce Shenzhen's risks in investing in other provinces.

**Second, Li Youwei instructed in clear-cut terms: We should base all our work in Shenzhen and continue to attain good economic returns in the city.** We should take Shenzhen as the base and headquarters of our further development and use Shenzhen as a financing center, investment policy decisionmaking center, efficiency center, and development center. We will not by any means allow any practices which overemphasize the importance of outward-bound development and consequently hurt the root of Shenzhen.

#### Foreign Investment Should Also Be Brought Along

**Third, when investing in inland areas, enterprises should choose the best outlets and the best locations for investment.** What counts here is the market. Enterprises should open up more markets, seize optimal opportunities, choose the strongest cooperative partners, acquaint themselves with the policies and conditions of relevant localities, and make forecasts and gain sufficient scientific proof, with a view to giving form to an optimum scale structure and achieving the best economic efficiency. Li Youwei added: Among our 140 enterprises in Shanghai, some are successful, such as Jintian and Wanke, while others are failures. Some invested over 30

million yuan but cannot recover any economic returns at all. We need to carefully sum up and learn from all these lessons and experiences.

**Fourth, Li Youwei stressed the need to bring along foreign investment and build up the momentum with the aid of foreign capital. By so doing, opportunities for Shenzhen's investment in inland areas will be increased considerably.** He noted: To invest in inland areas, we also need to make use of foreign investment and it would be even better if we can bring foreign investors along. Besides foreign capital, we should also introduce advanced foreign technologies into inland areas and try to gain greater access to the markets of inland areas, attain satisfactory economic returns, and establish well-known brands with the aid of foreign investments. In the same way, foreign investors can also make use of this opportunity to gain their ends. They can also open up more inland markets with the aid of Shenzhen's ties and networks with inland areas.

#### Enterprises Are Banned From Putting Circulation Funds Into the Real Estate Markets in Inland Areas

However, Li Youwei is also aware of the fact that it will not be that easy to fulfill the targets of Shenzhen's "economic northern expedition" and Shenzhen's enterprises, which have become shrewd over the years, are not as easily kept under control as they used to be. Therefore, Li Youwei brought the following several issues to the attention of enterprises which have plans to make investment in inland areas:

First of all, these enterprises should enjoy a fine work style, have sound management ability, and use qualified personnel. They should also see to it that the investment scale is not expanded excessively and the management over investment will not go out of control. Besides, the city government has issued explicit orders banning Shenzhen's enterprises from putting their circulation funds into long-term investment projects in inland areas, such as real estate projects. Financial departments of Shenzhen City should give support to enterprises which intend to invest in inland areas, yet they also need to provide follow-up services and exercise supervision over the enterprises' use of capital. In making investment in inland areas, we need to make use of as much foreign investment as possible and as many local loans and local resources as possible. When investing in inland areas, we should guard against the practice of rushing headlong into mass action, avoid making blind decisions before gaining sufficient scientific proof, and see to it that what we have input today can bring good yields tomorrow.

#### Southwest Region

##### Sichuan's Chongqing Acid Rain Pollution 'Worsening'

HK2509052694 Beijing ZHONGGUO XINWEN SHE  
in English 0434 GMT 24 Sep 94

[Text] Chongqing, September 24 (CNS)-Chongqing of Sichuan Province is suffering greatly from the worsening

acid rain pollution despite comprehensive measures taken by the City. Due to irrational energy structure and a shortage in funds, to put acid rain under control thoroughly is still an arduous task.

Chongqing is one of the most important industrial cities in southwest of China with 15.58 million tonne coal consumed every year. Coal used in the City is mainly grizzled and equipment for coal burning is out of date, leading to emission of a great volume of sulfur dioxide into the air. It is estimated that the City annually discharges 800,000 tonnes of sulfur dioxide into the air, covering 5 percent of the Country's total sulfur dioxide volume emitted. Since the City is surrounded by mountains and has low wind speed and higher air humidity, it is difficult for sulfur dioxide to scatter. Therefore, it rides on the rain and falls on the ground. Rainfall with its PH lowering than 5.6 is called acid rain in science. In recent years, the City has seen its annual rainfall with PH below 4.5, even to 2.98. 70 percent to 90 percent of rainfall in the City is acid rain. Acid rain pollution has spread to rural area, and sewage, well water in urban districts are all acidified. More seriously, the City has seen three "black rain" since early this year with its color like black ink and PH being 3.92.

Acid rain has seriously damaged ecological environment. Crops are harmed and tracts of forest wither. Buildings including historical structures in urban area are eroded by acid rain. A survey shows that annual economic losses caused by acid rain has reached RMB [renminbi] 546 million in the City, accounting for 3.19 percent of the City's GNP with per capita loss numbering RMB 171.34.

#### Sichuan Province Steps Up Economic Legislation

OW2509051194 Beijing XINHUA in English 0458  
GMT 25 Sep 94

[Text] Chengdu, September 25 (XINHUA)—The Sichuan Provincial People's Congress has formulated 172 sets of regulations since 1980, in a bid to facilitate the establishment of a market economy, an official of the congress said today.

Of these regulations, 70 percent deal with economic affairs, the official said.

Sichuan, the most populous province in China, leads the country in formulating regulations governing self-employed people specializing in industry and commerce, regulations concerning private firms and regulations to encourage foreign investors.

The official said that these three sets of regulations have proved to be effective in promoting the reform, opening up, economic growth and social stability.

In 1987 the provincial people's congress promulgated regulations regarding the management of land, he said.

Since then local governments and courts have handled 550,000 cases involving the illegal use of farmland, he added.

Also in 1987, the congress formulated regulations governing family planning in order to alleviate pressures stemming from Sichuan's population of more than 100 million, he said.

As a result, Sichuan's population growth rate dropped to 9.57 per thousand in 1993 from 13.6 per thousand in 1986, he added.

In 1991 the congress promulgated regulations concerning the reduction of farmers' financial burdens, he said.

#### Raidi, Norbu Address Tibetan Plenum

OW2309112594 Lhasa XIZANG RIBAO in Chinese  
6 Sep 94 pp 1, 2

[Text] "Take the Forum as an Opportunity To Create a New Situation for Work in Tibet in an All-Around Way"]

[Text] The Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee held its second general meeting on 5 September in Lhasa. At the meeting, Comrade Raidi, executive deputy secretary of the autonomous regional party committee, gave a speech entitled: "Take the Third Forum on Work in Tibet as an Opportunity To Create a New Situation for Work in Tibet in an All-Around Way." Gyaincain Norbu, autonomous regional government chairman, also delivered a speech entitled: "Work Hard To Achieve Rapid All-Around Economic and Social Development in Tibet."

Chen Kuiyuan, secretary of the autonomous regional party committee, presided over the meeting. Present were Guo Jinlong, Basang, and Danzim, deputy secretaries of the autonomous regional party committee, and Yang Chuantang, Lieque, Buqiong, Lu Huimin, and Li Guangwen, members of the autonomous regional party committee standing committee.

Pagbalha Geleg Namgyai, vice chairman of the National People's Congress Standing Committee, attended the meeting on invitation.

All the delegates to the Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee were present.

Comrade Raidi said in his speech: The Third Forum on Work in Tibet held by the party Central Committee and the State Council was a meeting on important strategic policy to rejuvenate Tibet, convened by the third generation of the collective central leadership with Comrade Jiang Zemin at its core—a generation that has inherited the tradition of the first and second generations of collective leadership in attaching importance and paying attention to work in Tibet. It was an important meeting for promoting stability and development in Tibet in the new period. It will have an extremely important and far-reaching effect on work in Tibet in the future.

The central authorities are paying a great deal of attention to Tibet and the entire country is providing energetic support to Tibet. In such a situation, what should we do in Tibet? To answer this question, there are three very important things to do: One is to thoroughly comprehend the guidelines and seriously achieve ideological unity; next is to have a clear concept and formulate concrete measures; and the third is to work hard in unity and perform actual deeds.

The Sixth Enlarged Plenary Session of the Fourth Tibet Autonomous Regional CPC Committee will adhere to Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics, follow the guidelines of the Third Forum on Work in Tibet, as well as the principles for work in Tibet in the new period, and consider both the overall situation and Tibet's reality. After thoroughly comprehending the guidelines, unifying thinking, and clarifying the tasks, the plenary session will discuss how to comprehensively implement the tasks set by the Third Forum on Work in Tibet, seize the opportunity to accelerate development and maintain stability, and strive to create a new situation for work in Tibet with a new mental attitude, a new concept, and new measures.

Entrusted by the autonomous regional party committee, Comrade Raidi emphatically discussed five questions:

1. It is necessary to seriously study and thoroughly understand the central guidelines and identify our thinking with them.

The Third Forum on Work in Tibet discussed Tibet's stability and development in light of changes in the international situation and Tibet's new situation and new problems in the course of China's establishment of a socialist market economic structure. After summing up experience and increasing the conferees' understanding, the forum clarified the guiding principles and major policies for work in Tibet for a time to come and put forward Tibet's development objectives and concept for the period extending from the latter part of this century to the early part of the next century, as well as the strategic principle of safeguarding the motherland's unification, opposing splitting, and maintaining social stability. It helped Tibet overcome specific difficulties and solve specific problems and mobilized the entire country to support Tibet. The party Central Committee and the State Council made a series of important policy decisions during the forum. Those policy decisions constitute the general plan for Tibet's administration in the new period, as well as the program of action for party and government organizations at all levels and Tibetan people of all nationalities for a time to come. They indicate that Tibet's modernization has entered a new stage of development. We must seriously and systematically study and thoroughly comprehend the guidelines of the Third Forum on Work in Tibet, and conscientiously identify our thinking with the guidelines. It is necessary to seek unity of thinking, will, and action; enhance vigor; and boost morale. In unifying our thinking, we should do the following:

One, we should identify our thinking with the five basic experiences. The five basic experiences summed up by the central authorities are not just past experiences and lessons. What is even more important is that they point out the orientation and basic principles that we should follow in the days to come. We must change our thinking in accordance with the central guidelines.

Two, we should treat work in Tibet with consideration of its overall strategic importance and place Tibet in the confines of the entire country to understand the strategic importance of work in Tibet for the work of the party and the state as a whole. In considering the issue of Tibet, we should proceed from both Tibet's reality and the country's overall interests. A part can obtain inexhaustible strength only when it is integrated with the whole.

Three, we should identify our thinking with the guiding principle that work in Tibet must be in line with major central policies and in consideration of Tibet's reality, as well as the guiding principle of "one central task, two major undertakings, and three guarantees." We should understand more clearly that the major task of Tibet in the new period is to accelerate development and maintain stability. We should correctly understand that stability is the prerequisite while development is the foundation, and we should correctly handle the relationship between the two.

Four, we should identify our thinking with the guiding principles and strategic objectives set by the current meeting for Tibet's social and economic development. The central authorities have decided that Tibet's growth rate in the last several years of this century should be higher than the nation's average so as to enable a majority of the people to lead a fairly comfortable life. This is an important strategic policy decision, creating an historic opportunity for Tibet's social and economic development. We should thoroughly understand the great significance of this major policy decision made by the central authorities, spare no effort to do work in Tibet well, and attain the strategic objectives as soon as possible.

Five, we should identify our thinking with the necessity for reform of Tibet's economic structure to adhere to the principle that Tibet's reform must conform with the framework for ongoing reform of the entire nation in the process of establishing a socialist market economy; that Tibet's economic structure must converge with that of the entire nation; and that reform must be vigorously and reliably carried out and proceed in an orderly manner and step by step with appropriate flexibility. We must correctly handle the relationship between local interests and the interests of the whole, and strive to enable Tibet's economy to converge with the national economy.

Six, we should identify our thinking with the focal points of Tibet's opening up; namely, vigorously expanding various forms of economic cooperation and interchange

and establishing an inseparable organic link between Tibet's economy and the national economy.

Seven, we should identify our thinking with the consciousness that the Dalai clique is the source of Tibet's instability and that the nature of our struggle against it is one of contradiction between us and an enemy. The essential point of our struggle against the Dalai clique is not an issue of religious belief or autonomy, but one of safeguarding unification of the motherland, opposing splitist activities against our nationalities, and maintaining the achievements we have scored in democratic reforms. The key to our success in maintaining social stability and scoring a victory in the struggle against splitism lies in successfully carrying out our own construction in Tibet and handling our tasks.

Eight, we should identify our thinking with the party's policies on united front, nationalities, and religious issues in the new period. The crucial criterion for judging the policy on the nationalities issue in Tibet is how to benefit the Tibetan people and enable Tibet to expedite development and to rank among the provinces, autonomous regions, and municipalities that lead others in China's four modernizations.

Nine, we should identify our thinking with the high plane—strengthen unity among all nationalities, accelerate Tibet's development, and safeguard unification of the motherland—and with the principle: "The minority nationalities are inseparable from the Han nationality and vice versa." Adherence to that principle is not only a necessity for economic, cultural, and scientific and technological development, but is an urgent necessity for safeguarding unification of the motherland, strengthening unity among all nationalities, and maintaining Tibet's social stability.

To guarantee in-depth implementation of the guidelines laid down by the Third Forum on Work in Tibet, the regional party committee required party and government organizations at all levels in Tibet to painstakingly conduct widespread and far-reaching propaganda and education and to treat propaganda of the Third Forum on Work in Tibet guidelines as a top priority for the propaganda front. Party and government cadres at all levels and, particularly, leading cadres at and above the county level must acquire a comprehensive and profound understanding of the guidelines of the Third Forum on Work in Tibet. The forum put forward a series of new guiding ideology on Tibet's development and stability in the new period, defined new tasks, and formulated a series of new special policies. Their contents are very rich, encompassing the economy, politics, ideology, culture, and various other fields in Tibet and involving every aspect of Tibet's socioeconomic development and social stability. They constitute a new point of departure for our work in Tibet. We must study hard to understand their profound connotations, and change our concepts and seek unity of thinking in accordance with the guidelines of the Third Forum on Work in

Tibet. We must avoid by all means using our inherent concepts and old thinking to have a one-sided understanding of the guidelines of the Third Forum on Work in Tibet. Now that we have decided upon the fundamental policy, the crux of the matter lies in paying close attention to implementation. We must see to the implementation of leadership over organizations, the implementation of measures, the fulfillment of targets for planned projects, and the undertaking of responsibility for actions to be taken to meet requirements. The responsibility system for leaders at all levels must be clearly defined; leaders at the higher level must supervise implementation by their subordinates.

2. We must get our ideas into shape, strengthen our confidence, and bring about unconventional economic development in Tibet.

The central authorities' decision on the targets for Tibet's development was made through survey, study, and repeated proofs. They are positive, heartening, and realistic, and they are extremely arduous tasks. To fulfill them, all party members, cadres, and people of all nationalities in Tibet must have a profound understanding of the guidelines laid down by the central authorities, conscientiously sum up historical experiences, and uphold the ideological line of emancipating the mind and seeking truth from facts to get our ideas into shape.

Our ideas are: Basing ourselves on development is the last word. We must resolutely and comprehensively implement the guiding principles for work in Tibet in the new period and do our utmost to bring about unconventional development. To accelerate development, we must deepen reform; open our doors wider to the outside world; optimize production structure in light of Tibet's actual conditions, look for and nurture new points for economic growth, and promote comprehensive development through breakthroughs achieved at major points; strive for Tibet's regeneration by relying on science and technology; and persist in self-reliance, plain living, and hard struggle.

3. We must improve our understanding, clearly define measures, and bring about long-term political stability in Tibet.

The main reason for Tibet's instability is the Dalai clique's splitist activities. We must see the Dalai in his true colors. The essence of the so-called "Tibetan independence," "high degree of autonomy," and "the great Tibet region" they advocate is to oppose the Communist Party, negate socialism, overthrow the people's political power, split the motherland, disrupt unity among all nationalities, and vainly attempt to restore their ruling position in Tibet. As long as the Dalai clique does not give up their stand on splitting the motherland, their contradiction with us cannot be mediated and we must resolutely struggle against the Dalai clique until we finally score a victory.

The central authorities' policy toward the Dalai is as follows: He is welcome to end his exile and return to the motherland at an early date as long as he recognizes Tibet as an inalienable part of China, completely abandons his advocacy for Tibetan independence, and stops conducting activities to split the motherland. We are opposed to all attempts to gain independence, quasi-independence, or independence in a disguised form for Tibet. On the fundamental issue of safeguarding unification of the motherland, there is no room whatsoever for bargaining.

Comrade Raidi pointed out: For the country to enjoy long-term political stability, we should accomplish the following tasks: We should strengthen administration over temples, monks, and nuns according to law, reinforce anti-infiltration education programs, intensify internal administration, and screen and purify our personnel. We should strengthen school work and education programs for youngsters. It is necessary to resolutely screen and abolish reactionary propaganda materials, enhance legal construction, intensify comprehensive management of social order, and upgrade political and legal work. We should enable the people to play full roles as the pillar in a democratic dictatorship, properly handle schemes aimed at dividing and disintegrating our unity, and unite all elements that can be united. Furthermore, we should properly handle foreign affairs and propaganda toward foreign countries, pay attention to hot social topics, and promptly resolve internal contradictions among the people.

4. We should uphold the banner of patriotism, comprehensively and correctly implement the policies on nationalities and religion, and continually consolidate and expand the patriotic united front. While supporting the motherland's reunification and enhancing Tibet's progress, we should develop the broadest patriotic united front. We should strengthen the party's leadership over united front work, and the united front must always uphold the banner of patriotism. Tibet's basic criteria for evaluating whether we are patriotic are whether or not we resolutely oppose splittism, whether we support the motherland's reunification, whether we foster unity among various nationalities, and whether we enhance Tibet's economic progress. We should continually consolidate and expand the patriotic united front and strive to establish and develop the broadest alliance under the party's leadership and which includes the broad masses of workers, minor nationalities, religious figures, economists, intellectuals, and knowledgeable Tibetans abroad who support the motherland's reunification.

Meanwhile, we should foster unity among various nationalities and facilitate mutual progress. We should correctly study and understand the main tasks for nationalities' affairs at the current stage, continually uphold and improve the autonomous system in areas inhabited by nationalities, and continually increase exchanges and contacts among various nationalities in an effort to foster closer unity among various nationalities.

5. We should strengthen self-development, improve the party's leadership, and shoulder a major historic responsibility to create new conditions for our work in Tibet. The party is the leading nucleus for the socialist modernization drive. At present, Tibet's party committees at various levels are facing many major historic missions including seizing opportunities, accelerating development, safeguarding stability, and creating new conditions for our work in Tibet.

Comrade Raidi stressed: We should strengthen the party's theoretical level, persistently arm ourselves with the theory of building socialism with Chinese characteristics and the knowledge of modern scientific and technological management, improve and enhance grass-roots organizations, strive to cultivate and develop a contingent of cadres who can fulfill the requirements for stability and development, change workstyle, and strive to perform realistic work. Comrade Raidi urged: While handling major issues, leading cadres at various levels should also handle specific tasks. While paying attention to the overall work, they should also take care of concrete details. By performing realistic work, they should accomplish various tasks. Comrade Raidi said: The central authorities have been showing solicitude for Tibet and people across China have been supporting Tibet. Holding one or two meetings and delivering one or two speeches cannot adequately answer the question: "What should Tibet do?" Instead, we should transform the central authorities' guidelines as our own concepts and apply the central authorities' resolutions in our deeds. By performing realistic work, we can enhance Tibet's economic progress, people's welfare, and political stability; reinforce border defense; create new conditions for our work in Tibet; and earnestly and properly administer Tibet's affairs. Consequently, the party Central Committee, the State Council, the Central Military Commission, and people across China can all relax.

Comrade Raidi said: Under the correct leadership of the party Central Committee with Jiang Zemin at the core, under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, and under the active support of people across China—to realize the magnificent strategic objectives for stability and development, we should regard the Third Forum on Work in Tibet as an opportunity, carry forward the revolutionary cause and forge ahead into the future, rouse our spirits, be united as one, strive with all our energies, perform realistic work, be hardworking, and stage struggles for Tibet's overall social progress and long-term political stability.

At the meeting, Comrade Gyaincain Norbu delivered a speech on accelerating Tibet's economic progress. To ensure that Tibet will accelerate its economic progress, that it will attain overall social progress and long-term political stability, and that its people's living standards will continually improve, Gyaincain Norbu pointed out:

1. We should specify development objectives, readjust and improve economic structure, and facilitate extraordinary progress.

Tibet's development objectives for a period to come are as follows: Its GNP should rise about 10 percent annually. It should basically accomplish the task of shaking off poverty and most Tibetans will be able to attain a comparatively well-off living standard. It should make considerable progress in its overall regional economic and social development. The basic concepts for materializing the above objectives are as follows: By the end of this century, Tibet's GNP will reach 6.95 billion yuan, nearly double that of 1993. Out of the total, primary industries will amount to 2.43 billion yuan, up 5.5 percent annually; secondary industries will rise to 1.35 billion yuan, up 15.3 percent annually; and tertiary industries will total 3.17 billion yuan, up 13.5 percent annually.

In accordance with the industrial policy formulated at the Third Forum on Work in Tibet, major tasks for Tibet's economic development for the period to come are as follows:

(1) We should firmly establish the concept that agriculture and animal husbandry are the foundation of Tibet's economy and strive to enhance economic progress in the agricultural and pastoral sectors.

When we refer to agricultural and pastoral output, we should pay attention to producing an amount of grain, edible oil, and meat that is basically sufficient for our own consumption; make efforts to continually strengthen our stamina for further development in the future; and devise ways to raise the income of peasants and herdsmen. We must always strictly regard agriculture and animal husbandry as the foundation of Tibet's economy and must always strive to enhance economic progress in the agricultural and pastoral sectors. By the year 2000, grain and edible oil output will reach 1 billion kg and 50 million kg respectively; the total output of meat and milk products will be 140 million kg and 250 million kg respectively; the combined total value of agricultural and pastoral output will amount to 3.11 billion yuan; and the per capita net annual income of peasants and herdsmen will reach 1,200 yuan. To attain these development objectives, we should pay attention to properly performing the following tasks: First, we should specify major development tasks in various localities. Second, we should increase infrastructural construction projects in the agricultural and pastoral sectors. Third, it is necessary to accelerate the pace of scientific and technological research on agriculture and animal husbandry and promote their achievements in the agricultural and pastoral sectors. Fourth, we should strive to develop village and town enterprises and diversified undertakings. Fifth, we should properly handle tasks to assist the poor and expeditiously resolve problems regarding clothing and feeding the masses in impoverished areas.

(2) Vigorous efforts should be made to develop secondary industry to move toward industrial modernization step by step.

We should increase the proportion of secondary industry in the economy and build and develop an industrial system with our regional characteristics. The region's total industrial output value should amount to 1.26 billion yuan by the year 2000. The development of secondary industry should be based on the region's natural resources and on products that have a large market in the region and in other parts of the country. In vigorously developing secondary industry, we should make efforts mainly with respect to two aspects—we should make efforts in the development and utilization of natural resources and in the technical transformation of existing enterprises. Our region is rich in natural resources; those resources that can be developed and utilized on a large scale, processed with added values, and developed into pillar industries are mainly mineral, forest, and livestock resources. To build an industrial system with Tibetan characteristics, we should pay close attention to the processing of livestock products and rugs. A breakthrough should be made in the development of leather and woolen products. We should vigorously carry out the technical transformation of existing enterprises. Every year we should allocate certain amounts of funds for geological prospecting with a view to developing the mining industry and for preparatory work for the building of processing projects. We should build and develop such projects one by one in order to ensure continuity of development and construction and to lay a foundation for sustained and stable development of the region's economy.

(3) Vigorous efforts should be made to develop tertiary industry.

Tertiary industry is an important means of promoting all-around social progress, making things easy for people, and improving and enriching people's lives; it is also an important aspect in strengthening the building of socialist spiritual civilization. For some time to come, Tibet should stress the following aspects in developing tertiary industry: First, we should step up our work in planning, providing guidance, and setting standards; second, we should accelerate the building of markets; and third, we should develop the real estate industry in connection with reform of the housing system. In short, on the principle of building what we lack, we should vigorously develop the consumption and service sectors and promote development of industries whose products are in demand, but which have yet to start.

(4) We should appropriately develop infrastructure, such as energy, transportation, and telecommunications, ahead of schedule.

We must accelerate construction of infrastructural facilities, with stress on energy, transportation, and telecommunications, in order to speed up the region's economic development and to turn our advantages in geography

and natural resources into economic advantages. In line with this strategic priority, we should appropriately develop such infrastructural facilities ahead of schedule.

2. We should further deepen reform to vitalize economic development.

The Third Forum on Work in Tibet set definite requirements for reform of the region's economic structure—in line with the general objective of the socialist market economy and the national framework in this regard, we should focus our attention on building new mechanisms and fundamentally solve the main problems in Tibet's economic structure. Therefore, in reforming the economic structure, we should pay close attention to the following work:

We should steadfastly establish a socialist market economic structure, clearly define the basic principles for reform of the region's economic structure, carry out reform of the economic structure as a major task, and implement in a better and in a creative way a series of special policies the state has made for Tibet.

3. We should emancipate our minds and open the region wider to the outside world.

The Third Forum on Work in Tibet pointed out: That Tibet was closed to the outside world has something to do with many of its malpractices. This is an incisive summarization of causes for slow economic development in the region, and it is also a lesson we must learn in order to make relatively rapid economic development and to narrow the gap between the region and the interior of the country. The key to opening wider to the outside world lies in further emancipating our minds. We should clearly understand that opening to the outside world is a prerequisite for developing a socialist market economy and for achieving common economic prosperity among all nationalities. To open wider to the outside world, we should establish horizontal economic ties and make vigorous efforts to develop trade and economic relations with foreign countries and to develop tourism.

(4) It is necessary to implement the strategy of developing Tibet by applying scientific and technological advances and promoting education.

Science and technology constitute a primary productive force. We must develop science and technology in Tibet in order to speed up its economic development. Only by firmly promoting scientific and technological advances will we be able to gain the initiative in keen market competition. We should always persist in giving top strategic priority to the development of education and adopt a policy in favor of education. Meanwhile, we should straighten out the educational administration system, improve the system of running and managing elementary education at different levels, and strive to train qualified personnel who can meet the needs of reform, opening up, and developing a socialist market economy.

(5) As masters of Tibet, we should do a good job in coordinating support from various parts of the country for the region.

At the Third Forum on Work in Tibet, the party Central Committee not only formulated some preferential policies for the region but also mobilized various parts of the country to support the region and arranged 62 construction projects for the region to mark its 30th founding anniversary. Cadres at various levels and people of various nationalities across Tibet should fully understand the great significance of this major policy decision by the party Central Committee and the deep feelings displayed by people of other parts of the country by giving vigorous support to the region. All prefectures, cities, and units must not ask provinces, municipalities, regions, or units that are helping them with construction to expand the construction scales, set higher construction standards, or increase their supportive investments. Projects that have been decided must not be changed, and no funds can be used for purposes other than originally earmarked. Relevant functional departments should fully cooperate with those engaged in such construction and give vigorous support to them. Priority should be given to providing the assured quality and quantities of electric power, fuel, means of transportation, and raw and semifinished materials for such construction projects, so as to ensure the completion of projects built to celebrate the region's 30th founding anniversary. Transferring cadres from fraternal provinces, municipalities, and regions to work in Tibet is a major policy decision, and leaders at various levels should have a profound understanding of its great significance. They should really welcome those cadres to work in Tibet, create necessary conditions for their work and daily life, take the initiative in briefing them on the local situation, and actively cooperate with them in work. In conclusion, Comrade Gyaincain Norbu pointed out: Development is our basic goal, and stability is the prerequisite; the two provide conditions for and complement each other. The Third Forum on Work in Tibet portrayed an ever more beautiful and bright future for the development and stability of Tibet. The people of various nationalities throughout the region should rally ever more closely around the party Central Committee with Jiang Zemin as the core and, under the leadership of the regional party committee, work hard in unity and high spirit and strive to bring about a new situation in the work of the region.

**Tibet Court President To Reform Local Courts**

OW2409113394 Lhasa Tibet People's Radio Network in Mandarin 1400 GMT 20 Sep 94

[Station reporter (Yan Youmin) interviews Bai Zhao, president of the Tibet Autonomous Regional Higher People's Court, on new plans to reform Tibet's courts; from the "News" program; date not given—recorded]

[Text] [(Yan)] The central authorities have been showing solicitude for Tibet and people across China have been

supporting Tibet. President Bai Zhao, what should we do with Tibet's regional court system?

[Bai] This definitely is an important issue facing Tibet's people of various nationalities. People's courts—as an important part of the state apparatus and as an important functioning department facilitating the people's democratic dictatorship—are duty-bound to shoulder the sacred responsibilities to ensure Tibet's stability and to accelerate Tibet's economic progress. Under the leadership of party committees at various levels, the supervision of people's congresses, and the support of governments, people's courts should independently exercise their judicial authority; further liberate their minds; seek truth from facts; improve their understanding, change concepts; and ensure that judicial tasks serve the political stand whereby one central task, two major events, and three guarantees [yi ge zhong xin, liang jian da shi, san ge jue bao] are facilitated. Meanwhile, they should play their full roles as raiders, protectors, regulators, and supervisors. They should ensure they are outstanding in cracking down on crimes; accomplish results in handling major and important cases; make considerable progress in regulating economic relations; and comprehensively improve their judicial performance. Consequently, they can provide effective legal guarantees and legal services for a smooth progress in Tibet's reform, opening up, and economic construction, and for smooth progress in Tibet's various construction projects to mark Tibet Autonomous Region's 30th founding anniversary.

[(Yan)] Autonomous regional government Chairman Gyaincain Norbu has specifically formulated Tibet's future tasks and missions at the sixth enlarged meeting of the Fourth Tibet autonomous regional party committee. President Bai Zhao, what measures will Tibet's court system take to implement the missions?

[Bai] Tibet's people's courts at various levels will take the following measures: eight comparisons, eight reviews, one consideration, seven integrations, and six tasks. Specifically, eight comparisons will involve Tibet's cadres and police who will compete among themselves in their performance regarding study, talents, discipline, unity, progress, pioneering work, contributions, and honesty. All Tibet's courts, cadres, and police will launch competitive campaigns on rendering meritorious services and surpassing advanced models, whereby they will all learn from, and later catch up with, advanced units and individuals.

Eight reviews are as follows: After reviewing the actual conditions for carrying out judicial work in line with the guidelines of the Third Meeting on Work in Tibet, we should check whether or not we have handled cases according to existing laws, whether or not we have strictly enforced the law, and whether or not we have punished culprits who violated the law. In the course of handling the cases, we should check whether or not we have specific facts and accurate evidence, have applied the correct laws, have justly judged, and have used

proper legal procedures so that our deeds can withstand examination from a historical viewpoint. Also, we should check our efficiency in handling cases to see whether or not we have expeditiously registered, tried, and concluded them; we have shortened the time for handling the cases; we have reduced work arrears; and we have refused to handle any complaints. Furthermore, we should check the outcome of cases to see whether or not we have meted out heavy penalties for minor offenses, meted out lenient penalties for major offenses, set guilty culprits free, or have wrongly punished the innocent. Additionally, we should check if our judicial work has yielded the best economic, political, and social results and check if our judicial personnel are honest. We should check whether or not cadres and police are attending feasts at others' expense or accepting gifts; whether or not the cases they have handled involved money, special relations, or favors; and whether or not our judicial personnel are inclined to be money-worshipping, hedonistic, or extremely individualistic. We should check whether or not our judicial work has been conducive to economic construction; it has effectively enhanced reform, stability, and development; and it has effectively facilitated the establishment and operation of a socialist market economy. We should check whether or not our judicial work has upgraded the courts' reputation and has portrayed in the people's minds a magnificent image of judges. We should check whether or not the work of courts' organs has excelled among various other organs in the local district, county, and city and whether or not it has attained social recognition, party committee commendations, and the masses' support.

One consideration is to consider what we should do in the future and how to improve various court tasks.

Seven integrations are: We should integrate the implementation of the Third Tibet Work Meeting guidelines with the performance of Tibet's overall work; integrate protection of social stability with the fight against splitism; integrate the performance of practical work with accomplishment of pragmatic results; and integrate improvement in judicial work with enhancement in law-enforcement tasks, with participation in comprehensive management of social order, and with smooth progress of 62 construction projects.

We should also pay attention to properly handling the following six tasks: First, we should unremittingly launch the struggle against splitism, and persistently crack down on splitist and criminal activities according to law. Second, we should persistently carry on the struggle to strictly crack down on crimes in an effort to create a favorable social environment for accelerating reform, opening up, and economic construction. Third, we should play our full roles as protectors, regulators, and supervisors to provide effective legal protection and services for Tibet's reform, opening up, and economic construction. Fourth, we should actively intensify our investigation and research on new circumstances and new problems, and strengthen our supervision and guidance over judicial work so as to promptly resolve new

difficulties encountered in judicial work. Fifth, we should actively strengthen the development of judicial personnel in an effort to cultivate a contingent of law-enforcement workers who are qualified politically and competent in their work style and performance. And, sixth, we should strengthen material construction and improve various courts' law-enforcement conditions.

### Conference To Aid Tibet in Meteorological 'Network'

OW2509123094 Beijing XINHUA in English 1155  
GMT 25 Sep 94

[Text] Lhasa, September 25 (XINHUA)—The State Meteorological Bureau of China called a national conference today in Lhasa, to work out a program for helping Tibet build a sophisticated meteorological network.

Attending the three-day conference were representatives from the Ministry of Finance, the meteorological departments of 21 regions and 16 schools.

According to the draft program worked out by the State Meteorological Bureau, a long-term cooperation relation will be established between each three or four Chinese regions and a Tibetan prefecture.

The program is part of the decisions made on the Third National Conference on Tibetan Work held earlier this year that aims to strengthen the meteorological sector of Tibet.

### North Region

#### Vice Mayor Details National Day Celebration Plans

##### 500,000 Expected To Participate

OW2309210394 Beijing XINHUA Domestic Service in Chinese 0914 GMT 23 Sep 94

[By reporters Yang Qing (2799 7230) and Niu Aimin (3662 1947 3046)]

[Text] Beijing, 23 Sep (XINHUA)—The National Day Celebrations Preparatory Committee made the following announcement at a news briefing this morning: Ceremonious and warm celebrations will be held on 1 October this year. On that day, party and state leaders will join 500,000 people of all walks of life in daytime garden parties and evening get-togethers with a display of fireworks.

Meng Xuenong, chairman of the National Day Celebrations Preparatory Committee and vice mayor of Beijing, and responsible persons of the departments concerned released some information during the news briefing. According to them, 400,000 people will participate in grand garden parties to be held in eight major parks in Beijing on National Day this year. They will be joined by

party and state leaders; scientists, model workers, representatives of minority nationalities, and representatives of the People's Liberation Army's heroes and model persons from across the country; and guests from abroad. Beijing, Tianjin, Shanghai, Guangdong, Sichuan, Liaoning, Shandong, and Shaanxi will co-sponsor the garden parties in Zhongshan Park, the Working People's Cultural Palace, Beihai Park and Tiantan Park. Garden parties will also be held in the Summer Palace, Taoranting Park, Chaoyang Park, and the Chinese Nation Park. The garden activities will be varied and unique. They will include exhibitions of the great achievements of the 45 years since the founding of the PRC and of the 16 years since the start of reform and opening up, to be held by the three municipalities and five provinces. Literary and art workers from across the country will give brilliant performances.

According to the news briefing, 100,000 people will attend a National Day evening get-together at Tiananmen Square with a display of fireworks on the evening of 1 October. A solemn celebration ceremony will be held at 1930 hours. A majestic color guard and a team of youths of 56 nationalities will raise the national flag, a military band will play the national anthem, 60 artillery pieces will fire a 28-salvo gun salute, and the 100,000 people present will sing the national anthem. Following the ceremony, the 100,000 people on the Square will sing and dance under a display of fireworks to celebrate the festival day. Literary and art programs will be performed by both professional and amateur artists at the Jinshuiqiao performing district and all get-together districts. There will be three sets of fireworks displays over Tiananmen Square in the evening. Party and state leaders on the Tiananmen rostrum, and representatives of various circles, overseas Chinese, Hong Kong, Macao and Taiwan compatriots and foreign guests on the visitors' stand will join the Beijing people in celebrating the festival day together. The Central Television Station and the Beijing Television Station will relay the get-togethers to viewers at home and abroad.

According to the briefing, the delegations of the seven other co-sponsors of garden parties have successively arrived in Beijing. All preparatory work for the garden parties and the evening get-togethers has basically been completed. The performers of literary and art programs and group dances have finished their rehearsals. A finishing touch is being applied to the decorations with salient local features and to the booths for local exhibitions in major parks. The fireworks and gun salute have been successfully tested. The Tiananmen rostrum has been repainted. The lights on the square and the fountains on both flanks of Jinshuiqian have been renovated. A flower terrace composed of 5 million flower pots will add a strong festival atmosphere to the capital.

Meng Xuenong and others answered Chinese and foreign reporters' questions at the news briefing.

[Beijing XINHUA Domestic Service in Chinese at 1154 GMT on 23 September transmits a similar report which adds: "The evening get-togethers on National Day this year will begin at 19:30 and will last three hours."]

### Celebration To Involve 7 Provinces

HK2309132494 Beijing ZHONGGUO XINWEN SHE in English 1139 GMT 23 Sep 94

[Text] Beijing, September 23 (CNS)—Preparations have been completed in Beijing for the National Day celebration which falls on October 1, the Vice-Mayor, Mr. Meng Xuenong, said today on behalf of the preparatory committee for this function.

The National Day activities are centered on mass celebrations in parks in the daytime and fireworks in an evening gala party in the Tiananmen Square on October 1. There are several records to be set for the 45th anniversary of the founding of new China.

The activities will start with 400,000-strong mass celebrations in parks which for the first time involve seven provinces and cities of Shanghai, Tianjin, Guangdong, Liaoning, Shandong, Shaanxi and Sichuan, all of which were invited by Beijing municipality for the preparation. Quite a number of enterprises from outside the municipality are involved in the National Day celebrations for the first time, introducing economic atmosphere to some extent into the politically dominated celebration. There are ten main enterprises as well as ten renowned brands of commodities involved in the mass function. More than 1,000 varieties of commodities and 100 kinds of snack of special taste will be available in four main parks here, namely the Temple of Heaven, the Beihai Park, the Zhongshan Park and the Labour Workers Palace. There are some 700 exhibition stands set up for this function, showing a great scale rarely seen in history of the celebration.

Final rehearsal was made today for theatrical performance in the evening party which will be held in the largest makeshift stage measuring over 500 sq. metres in the shore of the Jinshui Bridge in front of Tiananmen rostrum.

There will be 100,000 persons enjoying the evening party on October 1 and the national flag will be hoisted at night for the first time in 45 years. The 100,000-strong chorus considered the biggest one in the world will sing the national anthem. A fireworks evening party starts with the firing of a 28-gun salute involving fifty-six domestically made salute guns, first of its kind in China.

A trial firing of salute gun and fireworks was made last night and proved a success. There will be 400 salute guns firing at 16 places at the same time. The fireworks display on three occasions each having an interval of 65 minutes in the Tiananmen Square will reach climax of the evening celebration. Beijing municipality allows for the first time inclusion in the national day celebration of

fireworks produced from outside the municipality. The variety of fireworks for the function, therefore, increases from 60 to 300.

A restoration work has been carried out around the Tiananmen area which is considered the largest scale in nearly ten years. Lights in the square have all been replaced with new ones for the ushering in of the brightest moment in this centre of the capital which has recently been decorated with five million pots of fresh flowers. Workers, peasants, students and military men will join the state leaders for an exciting night.

### Beijing Adopts Security Measures

HK2309134094 Beijing ZHONGGUO XINWEN SHE in English 1223 GMT 23 Sep 94

[Text] Beijing, September 23 (CNS)—Beijing municipality is now adopting strict measures to guarantee safety and security as well as a smooth National Day celebration.

The deputy director of the preparatory committee for the National Day celebration, Mr. Meng Xuenong, who is vice-mayor of the municipality, said that Beijing was able to ensure safety and security for the celebration. A security team is reported to have set up in the municipality with a vice-minister of public security as its head. A general plan as well as 41 contingency plans have been formulated. Ten working groups have also been established to carry out different kinds of duty in different districts across the municipality.

A security network will be set up with the Tiananmen Square as its centre where a large scale fireworks evening party will be held on the National Day. Around the square there will be different zones namely the cordon zone, the vacuum zone in which no man is allowed to enter, the evacuation zone, the control zone and the outer zone for security purpose. In addition to the police, there will be tens of thousands of citizens taking part in the security work. Police task force stands by in some crucial areas to handle various kinds of incidents.

There are also 25 fire engines on alert for possible dispatch in the municipality.

During the National Day celebration activities, entry into Beijing of personnel from outside the municipality will be kept under control. The director of the preparatory committee, Mr. Li Qiyan, stressed that safety and security was given priority in the National Day celebration.

### Beijing 'Fully Prepared'

OW2309175294 Beijing XINHUA in English 1523 GMT 23 Sep 94

[Text] Beijing, September 23 (XINHUA)—Beijing, capital of China, is now fully prepared for celebration for the 45th anniversary for the founding of the People's Republic of China, which is to be held on October 1st,

the National Day, according to Meng Xuenong, the city's vice-mayor, and also a member of the celebration preparatory committee.

Speaking at a press conference held here today, Meng said that on October 1st, 400,000 Beijing people will take part in the park-visiting activities arranged by the preparatory committee and in the evening, 100,000 people will attend the firework-entertainment party on the Tiananmen Square.

The vice-mayor also said that senior leaders of the central government and Communist Party Central Committee, scientists and model workers from nationwide, representatives from ethnic minorities and armed forces, foreign guests would also take part in the park-visiting activities together with Beijing people.

Unlike the past years, seven major provinces and municipalities would for the first time join the celebration activities in Beijing by exhibiting their local achievements in various fields and putting on wonderful performances bearing local characteristics in four parks, the vice-mayor said.

The firework-entertainment party on Tiananmen Square, consisting of a solemn ceremony and entertainment programmes, would push the celebration activities to a climax, an official responsible for the party said.

At the beginning of the party, the national flag would be raised on the square, escorted by youngsters from the country's 56 ethnic groups and 100,000 people will sing the national anthem together with 28 salute gunfires by 60 pieces of artillery, the official said.

Throughout the three-hour evening party beginning from half past seven, representatives of workers, peasants, students and professional actors and actresses would perform more than 400 songs and dances on the square, while some well-known artists would make brilliant performances in the 2,600-square-meter central performing area, the official disclosed.

According to the arrangement, the fireworks would be shot three times during the party to decorate the beautiful night sky of the capital.

The official added that the firework spots would be increased from ten in previous years to 16 this year while the total number of artillery salute would be increased from 300 pieces in past years to 440 pieces this year.

### Hebei Achieves 'Marked Progress' in Marine Industry

OW2609082994 Beijing XINHUA in English 0751  
GMT 26 Sep 94

[Text] September 23 (XINHUA)—Northern China's Hebei Province has taken the advantage of its 487-km-long coastline along the Bohai Bay to develop marine industry.

"The province has achieved marked progress in the sectors of ocean transportation, salt and salt chemical industry, oil and petrochemical industry," said an official with the provincial maritime bureau.

The Qinghuangdao port, in the northeast of the province, has an annual handling capacity of some 100 million tons of coal and crude oil, ranking the largest outlet in the world for energy.

A dozen new berths with a handling capacity ranging from 3,000 to 5,000-dwt-class have been put into service in Jingtang, Daqinghe and Dakouhe ports. A few other docks whose handling capacity ranges from 10,000 to 100,000-dwt-class are being built.

A latest investigation shows that more than 200 kinds of marine creatures and plants live in Bohai Bay, including 110 kinds of fish and many other kinds of crustacean, mollusc and seaweed.

The province has 132 islands, each covering more than 500 sq meters. Its continental shelf abounds in oil and natural gas deposit. The proved reserves of oil reached 2.3 billion tons and natural gas 34 billion cubic meters, according to the investigation.

Its off shore oil production has reached five million tons annually.

Hebei has 96 salterns in its 450,000 ha of salt pan. The output of salt accounts for one fifth in the country.

The Nandabao saltern, one of the largest in China, produces one million tons of soda ash annually.

In addition, the province has made use of seashore tourism resources and hosted over 20 million visitors last year, bringing a total of 200 million yuan in direct economic efficiency.

### Inner Mongolia Conference on Curbing Price Hikes

SK2509055194 Hohhot NEIMENGGU RIBAO in Chinese 7 Sep 94 pp 1, 4

[By reporter Zhang Jinyan (1728 3866 3601): "Inner Mongolia Holds a Teleconference on Curbing Excessively Rapid Price Hikes"]

[Excerpts] On the afternoon of 6 September, the regional government held a teleconference to implement the guidelines of the national teleconference on further strengthening the management of goods prices.

Wu Liji, chairman of the regional government, chaired and addressed the teleconference. He said: Premier Li Peng's speech at the national teleconference on further strengthening the management of goods prices is of extreme importance and completely conforms to our region's reality. We should completely support and resolutely implement the guidelines of his speech. Wu Liji urged that principal responsible comrades of various

leagues and cities should personally go into action and exert great efforts to curb inflation and maintain the stability of goods prices.

In line with the region's reality, Vice Chairman Bao Wenfa set forth seven opinions on curbing excessively rapid price hikes:

First, seek unity of thinking, rapidly take action, and curb excessively rapid price hikes. At present, whether or not the excessively rapid price hikes can be curbed is not only an economic matter but also a major issue deciding the smooth progress of reform and opening up and the overall situation in our region's social stability. The party committees and governments at various levels across the region should unify their thinking, fully understand the importance of curbing excessively rapid price hikes, take the overall situation into consideration, mobilize all forces, and resolutely bring goods prices under control. The regional government urged that in the next few months, the governments at various levels should regard the control over excessively rapid price hikes as the primary economic work task and all departments should do their own duties, work closely in cooperation with one another, proceed from the local actual conditions, conscientiously implement the policies and measures for curbing price hikes as defined at the teleconference of the State Council, and resolutely stabilize good market prices.

Second, the leaders at various levels should actually regard the control over goods prices as the primary task in the foreseeable future and pay firm attention to it. We should carefully arrange the supply of commodities during the Mid-Autumn Festival and the National Day and work out countermeasures for controlling goods prices. Commercial, grain, supply and marketing, and industrial and commercial departments should positively organize sources of goods to ensure the supply of commodities. [passage omitted]

Third, we should strictly ban new price hike items. It is necessary to resolutely implement the State Council's decision on banning localities from working out new price hike items in the next half of the year. [passage omitted]

Fourth, price departments should bring into full play their functions for curbing price hikes and supervising and managing goods prices. In his speech, Premier Li Peng further defined that price organizations must not be abolished, merged, or downgraded. Our region should observe this. In addition to having a small number of personnel stay behind to persist in the normal organizational work, the price departments at various levels across the region should send the rest personnel deep to markets to help the grass roots control goods prices and conduct general price inspections. [passage omitted]

Fifth, we should jointly safeguard the market order. Security and industrial and commercial departments should strictly attack the illegal activities of adopting

compulsory purchasing and marketing means and playing tricks at markets. The individual industrial and commercial households that stop the peasants from directly marketing their goods in the urban areas and adopt compulsory purchasing and marketing means should strictly be investigated and handled. Technical supervisory departments should deal strict blows to the illegal activities of manufacturing and marketing fake and poor-quality commodities, giving short measures, and cheating consumers.

Sixth, we should extensively conduct general price inspections. [passage omitted]

Seventh, we should set up necessary reserve system and price regulation funds. The regional government has studied several times the establishment of a system that the region as well as leagues and cities should lay up such daily necessities as grain, edible oil, pork, and sugar, which are related to the national economy and the people's livelihood. Simultaneously, the region as well as leagues and cities should also set up price regulation funds. Relevant departments should make specific opinions and report them to the regional government for examination and approval.

#### Tianjin Secretary Attends Conference on Opening Up

SK2409081594 Tianjin People's Radio in Mandarin  
2300 GMT 23 Sep 94

[Text] On the morning of 23 September, the municipal party committee and the municipal government cosponsored a conference on expanding the scale of opening up. At the conference, the participants reported on the work achieved in opening up the municipality to the outside world since the beginning of this year, summed up and exchanged experiences, and made further arrangements for opening up the municipality in all directions and for accelerating the pace of using foreign capital.

Gao Dezhan, secretary of the municipal party committee, chaired the conference and made an important speech. Municipal leaders Li Jianguo, Liu Jinfeng, Song Pingshun, Zheng Zhiying, Zhu Wenju, Ye Disheng, Zhang Haosheng, Zhu Liankang, and Zhang Zhaoruo also attended.

At the conference, Zheng Zhiying, standing committee member of the municipal party committee, introduced information on the Tianjin delegation's visit to the ROK, Thailand, and Hong Kong; he also made suggestions on further opening up to the outside world.

Vice Mayor Ye Disheng summed up the situation achieved in opening up to the outside world and in using foreign capital in the first half of this year, and arranged the next-step work.

Responsible comrades of the municipal economic and technological development zone, the municipal economic committee, and the municipal construction committee introduced their experience in expanding the

scale of inviting foreign traders; in firmly grasping large projects; in attracting large foreign financial groups and groups of large countries to invest in the development zone; in conducting old enterprises with foreign capital; and in using foreign capital to rebuild dangerous, shabby, one-story houses.

Since the beginning of this year, the municipality has made new and major breakthroughs in directly using foreign capital. Major targets for using foreign capital were at an all-time high. Agreements on foreign-funded projects signed by the municipality in the first eight months of this year involved \$3.23 billion, including \$2.39 billion in foreign investments, an increase by 21 percent and 40 percent, respectively, over the same period in 1993 when the municipality set a record in the increase in bringing in foreign investment. Forty-seven large projects, each worth over \$10 million, were approved. As a new force, foreign traders suddenly came to the fore to invest in real estate. Total investment in this aspect totalled \$1.227 billion. As of the end of August, real foreign capital input surpassed \$700 million. It is estimated such foreign investment will surpass \$1 billion by the end of this year.

This year is the first time our municipality has stood ahead of Beijing in terms of amounts of foreign capital directly used and the increase in the use of foreign capital. This one action makes the municipality stand among the most-advanced in the entire country. The development zone's seven major targets rank the development zone first among the country's 17 state-level development zones. The industrial output value of the three types of foreign-funded enterprises across the municipality increased by 140 percent over the same period last year, accounting for one fourth of the total output value realized by industries at or above the township level. Profits and the total export value created by the three types of foreign-funded enterprises rank the municipality [words indistinct] in the entire country.

In his speech, Gao Dezan, secretary of the municipal party committee, summed up the situation of the conference.

He urged: We should correctly analyze the situation that the municipality expands the scale of opening up and directly uses foreign capital, should upgrade our understanding, and should define our orientation. The municipality has made great achievements in opening up to the outside world and in using foreign capital. However, our municipality still falls short, and has many problems. There are four aspects which do not meet the demands for using foreign capital. First, it does not meet the demands for realizing Tianjin's development goals. Second, it is not suitable to the current (world competition) in assimilating foreign capital. Third, it does not suit the position as [words indistinct]. Fourth, it does not meet the demands of foreign traders. We should fully understand the current grim situation; should fully utilize Tianjin's ports, land, industrial base, scientific and

technological forces, quality staff and workers, policies, [words indistinct], fine social environment, wide influential power, commercial and financial trade, and [words indistinct]; should double our efforts to remedy defects; and should enhance Tianjin's attractiveness.

He pointed out: Further expanding the scale of opening up is the [words indistinct] of the basic line of the party, the main component of Comrade Deng Xiaoping's theory on building a socialism with Chinese characteristics, a requirement for the overall work situation of the entire party and entire nation, and the basis for Tianjin's development. Thus, we should unswervingly expand the scale of opening up and positively use foreign capital. Presently, we should focus the use of foreign capital on promoting economic construction, as well as deepening the work of opening up and using foreign capital by finding out where we fall short and solving the problems. It is necessary to expand the spheres of cooperation with the outside world, to widen the channels for cooperation, to upgrade foreign cooperation levels, and to improve the investment environment. Expanding the scale of opening up, and making more and better use of foreign capital, is a matter relating to the overall situation. Departments across the municipality should make concerted efforts, bring their advantages into play, and comprehensively improve Tianjin's investment environment.

#### Tianjin Benefits From World Bank-Financed Expressway

OW2609102894 Beijing XINHUA in English 0921  
GMT 26 Sep 94

[Text] Tianjin, September 26 (XINHUA)—Tianjin, the largest port city of north China, has benefited greatly from the operation of the World Bank-financed Beijing-Tianjin-Tanggu Expressway.

According to officials with Tianjin Municipal Department of Communications, the expressway, which went into operation on September 27 last year, has undertaken to move a quarter of the volume of freight at the Tianjin port and greatly eased the stockpiling of goods at the port.

In the first half of this year, Tianjin port transported 21.49 million tons of goods from a dozen provinces and autonomous regions and handled 312,000 standard containers, up 29 percent and 40.5 percent respectively on the same period last year.

The expressway, with a total length of 142.69 km, starts from Beijing and runs through Tianjin municipality and extends to the Bohai Sea, linking Beijing, Tianjin and Hebei Province together. At present, the average volume of vehicles running on the expressway has reached 10,000 a day.

The amount of toll collected on the whole expressway is expected to reach 80 million yuan by the end of this year, said an official with the Ministry of Communications,

and added that the fair operation of the expressway will help shorten the time for loans repayment.

Partly due to the Beijing-Tianjin-Tanggu Expressway, the municipality absorbed 2.39 billion U.S. dollars of foreign investment in the first eight months of this year, a sharp rise over the same period of last year.

### Tianjin Welcomes Investment From Multinational Corporations

OW2609103494 Beijing XINHUA in English 0920  
GMT 26 Sep 94

[Text] Tianjin, September 26 (XINHUA)—Tianjin, north China's major port city, has attracted a total of 10 billion U.S. dollars in foreign investment, 3.23 billion of which had been used, in the first eight months of this year.

Addressing a municipal conference Friday [23 September], Gao Dezan, secretary of the municipal committee of the Communist Party of China, said enhanced effort must be made in Tianjin to improve investment environment as it's fundamental way out for the city to further open to the outside world.

Among the total investment made in the first eight months of this year, Tianjin had drawn 2.4 billion U.S. dollars in direct foreign investment, an increase of 40 percent over the same period last year, he told the conference.

By now, Gao said, over 100 multinational corporations, including General Electric (GE), Mobile Petroleum Co., Mitsubishi, Henkel and Sew of Germany, BOC of Britain, Nestle of Switzerland, Motorola and NEC, have invested in Tianjin.

From January to August this year, 47 foreign-funded enterprises established in Tianjin involve an investment up to 10 million U.S. dollars. Foreign investment in the city's real estate business has grown by over one time

with renovation of outdated houses as the focus when such business has cooled down in other parts of the country along with China's macro-economic control since last July.

Meanwhile, 870 million U.S. dollars of foreign investment has arrived at Tianjin since the beginning of this year, one to three times of the arrival rate in the previous two years, or the record high.

The output value in Tianjin's foreign-funded enterprises also jumped by more than one time, with some of such enterprises becoming the rising pillar industries in Tianjin.

In the municipal conference, senior municipal officials present stipulated principles concerning foreign investment. The municipality will try its utmost to improve investment environment so as to expand areas and improve efficiency of such investment.

According to the conference, Tianjin municipality will direct foreign investment to export-oriented agriculture, infrastructure construction and service sectors as commerce and trade as well as construction of tourism facilities.

Meanwhile, the city will also concentrate on the construction of chemical industry, electronics, motor vehicles and metallurgy. The construction projects are to be settled and announced soon, according to the conference.

Apart from direct investment, the municipality will also pay close attention to international cooperation in finance and attracting domestic capitals.

Gao said Tianjin specially welcomes investment from multinational corporations and consortia. The municipal government pledges to provide better services for foreign-funded enterprises and push ahead with successful launching of some large investment projects.

**Japan Criticized for Role in Possible Hsu Visit**

OW2509023394 Beijing XINHUA in English 0216  
GMT 25 Sep 94

[Text] Beijing, September 25 (XINHUA)—The OUT-LOOK [LIAOWANG] weekly magazine carries an article in its latest issue exposing Taiwan's "sports diplomacy". It says in part:

The chairman of the Olympic Council of Asia has made a statement a few days ago that the coming Asian Games will not invite any official from political circles of any country other than those from the host country.

Foreign news agencies immediately noted the statement means that the invitation for Taiwan "president" Li Teng-hui to the games has been canceled.

The intrigue of the Taiwan authorities to send Li to the Hiroshima Asian Games has ended in failure. This means the Taiwan authorities "have lifted a stone only to drop on their own feet" as a Chinese saying goes.

According to a report carried by Taiwan's CHINA TIMES on September 4, the head of Taiwan's "executive yuan" explained the stand of the Taiwan authorities in saying that the "executive yuan" had proposed that "president" Li Teng-hui take part in the 12th Asian Games in the capacity as "head of state".

This is a clear indication of Taiwan's true motive, which is to create "two Chinas" or "one China, one Taiwan".

But what happened did not follow their will. They had been given a negative answer.

Many overseas people do not understand why the Taiwan authorities want to elbow into the games. Some overseas press reports have given the answer.

The ASAHI SHIMBUN of Japan pointed out that the Taiwan authorities intended to strengthen the "sense of existence" in the international community by publicizing Li's visit to Japan.

"To Li Teng-hui, who takes it as his main task to recover Taiwan's international status, if he could successfully visit Japan, a breakthrough would have been fulfilled; if not, the Japanese Government would be 'indebted' to him, and this will be useful for him to create the next opportunity," the newspaper said.

An analysis by the KYODO NEWS SERVICE of Japan said, "Li Teng-hui's intention to participate in the opening ceremony of the Hiroshima Asian Games is no different from the 'holiday-making diplomacy' he carried out during the spring festival in February this year when he visited the Philippines, Indonesia and Thailand which have no diplomatic relations with Taiwan. This is another round of diplomatic offensives that the Taiwan authorities have started."

Overseas media also noticed that just at this time, the U.S. Administration published a new policy towards

Taiwan aiming at enhancing economic co-operation with it. "Under such a background, it is not difficult to see that the U.S. Administration just wants to cause a disorderly situation in the relations between Taiwan and neighboring regions by involving the Japanese Government into it."

On September 12, after the Olympic Council of Asia made the statement to cancel the invitation for Li to the Asian Games, the Taiwan authorities started to try another trick in planning to send Hsu Li-teh, deputy head of the "executive yuan", to the games under the pretext of Taiwan wishing to bid for holding the 2002 Asian Games.

It is known to all that the Taiwan authorities' desperate effort to send high-level officials to the Asian Games means nothing but to create "two Chinas" or "one China, one Taiwan".

If the Japanese Government fails to prevent Hsu from entering Japan, it is also helping create "two Chinas" or "one China, one Taiwan". It will have to be responsible for the serious consequences arising therefrom.

**Commentary Criticizes Japan Over Taiwan**

HK2609105694 Beijing CHINA DAILY in English  
26 Sep 94 p 4

[Text] As the opening of the Hiroshima Asian Games draws near, tension between the Chinese and Japanese Governments is accelerating over Taiwan political figure Hsu Li-teh's possible presence at the Games as a "guest."

Despite the Chinese Government's repeated warnings and protests, the Japanese Government has decided to allow Taiwan's "vice president of the Executive Yuan" to enter Japan in the guise of a "sports official."

Such a decision has seriously hurt the feelings of the Chinese people and cast dark clouds over the coming Asiad and the long cherished friendly Sino-Japanese relations.

It is universally accepted that there is only one China which is represented by the central government in Beijing. The Chinese Government opposes any attempt to create "two Chinas" or "one China, one Taiwan." In fact, recognizing Taiwan as a province of the People's Republic of China has been China's premise in developing relations with other countries and regions. Japan is no exception. Such a stand was asserted in the Sino-Japanese Joint Communiqué of 1972 and the Sino-Japanese Peace and Friendship Treaty of 1978.

It has become an exposed intrigue of the Taiwan authorities to have its political figures—including its so-called "president" Li Teng-hui—squeezed into the Asian Games to expand their so-called international clout and to undermine the sacred cause of peaceful reunification of the country. The plot was partially frustrated when Li was shut out after Sheikh Ahmad al-Fahad al-Sabah, president of the Olympic Council of Asia (OCA)

announced that the OCA would invite no political figures to the Games except those from the host country.

Whatever pretext Hsu is using in applying for the Games, be it "sports official" or chairman of Taiwan's bidding committee for the 2002 Asiad," his political identity and real purpose can never be concealed.

Japan and China are neighbouring countries claiming to treasure their existing friendship and blueprinting their strategic relations for the next century. If the Japanese Government is serious about this relationship, it should at least honour its promise made in the 1972 joint communique and 1978 treaty by taking measures to prevent any attempts to disrupt these important agreements.

To allow Hsu to enter Japan and turn a sports venue into a political stage is apparently against the fundamental principles of the joint communique and the treaty. The Chinese Government and the people certainly can not sit idle on this.

The fact that the 2002 Asiad issue is not on the agenda of the coming OCA conference in Hiroshima has made Hsu's excuse for going to Japan groundless.

The fact is that Taiwan, as part of China, is never qualified to apply for holding the games, both politically and technically, according to the OCA regulations.

The Japanese Government, which promised in the 1972 joint communique that it would not have any official contact with Taiwan, now needs to explain to the Chinese as well as Japanese people why it is admitting a senior official of Taiwan to Japan.

One should not chance matters of principle. We hate to see the well-prepared Hiroshima Asian Games and the long-bred Sino-Japanese relations haunted by the tension.

"The sea of bitterness has no bounds, repent and the shore is at hand."

This philosophical Chinese saying could hold the key to opening the deadlock.

It's Japan's turn to make a move.

#### China Olympic Vice President on Hsu Li-te's Visit

OW2409071394 Beijing XINHUA Domestic Service in Chinese 1659 GMT 23 Sep 94

[Text] Beijing, 23 Sep (XINHUA)—Xu Yinsheng, vice president of the Olympic Council of Asia [OCA] and newly elected vice president of the Chinese Olympic Committee [COC], told the press about the "refusal of inviting Hsu Li-te," which OCA President Shaykh Fahad al-Ahmad clearly expressed during his 18 September meeting with COC Secretary General Wei Jizhong.

Xu Yinsheng held that Shaykh Fahad al-Ahmad's attitude was correct. He expressed his appreciation of the OCA statement. He pointed out: From both political and technical viewpoints, Taiwan, as a region, is not qualified to apply for Asian Games sponsorship. The Taiwan authorities' existing policy can not guarantee that an organizer will host sporting events in accordance with the "Nagoya Stipulation" adopted by the International Olympic Committee. The sporting standards and facilities in the Taiwan region are not suitable to hosting top-notch events.

Xu Yinsheng said: The bidding for the Asian Games is consistent of individual candidate cities. Taiwan region has not even decided on which city to bid for the Asian Games. Where does the so-called "bidding delegation" come from?

Xu Yinsheng said: During the current Asian Games, the OCA does not have any arrangement for the discussion of the bidding for the next Asian Games. What is the purpose of Hsu Li-te going to Hiroshima? It is very clear that his purpose is to turn a "sports forum" into a "political forum."

Xu Yinsheng continued: Hsu Li-te is not the mayor of any city and he is not representing any city to bid for the next Asian Games. He just falls into the category classified by the OCA as political figures who are not to be invited. We support the OCA's statement and resolutely oppose Taiwan's attempt to send any political figures to Hiroshima to concoct political schemes.

Xu Yinsheng expressed his hope that the COC's principled position of opposing Hsu Li-te's visit to Hiroshima will be understood and supported by friends in Asian sports circles. He said: The sports circles and great masses of athletes in China have worked hard for a long time to promote the sports undertaking and standards in Asia. Chinese athletes have undertaken long preparations for participation in the current Asian Games. We do not wish to see the current Asian Games damaged because of the involvement of a political figure from Taiwan.

#### Commentary Hails UN Rejection of Taiwan Motion

OW2409113294 Beijing XINHUA Domestic Service in Chinese 1403 GMT 22 Sep 94

[Commentary by reporter Xia Zhaolong (1115 0340 7893)]

[Text] United Nations, 21 Sep (XINHUA)—This afternoon, the general committee of the 49th session of the UN General Assembly [UNGA] once again resolutely refused to place the question of Taiwan's "representation" in the United Nations on the agenda of the General Assembly, which was raised by Argentina and a few other countries. This move upheld the basic principle of the "UN Charter" on not干涉 in the internal affairs of a member country.

The motion plotted by the Taiwan authorities violated the international law and the basic principles of the "UN Charter" and there is no doubt that it would be rejected. An old Chinese saying goes: "An unjust cause finds little support." Taiwan's plot to "rejoin" the United Nations is an unjust cause. We can see why from three angles. First, Taiwan promotes "pragmatic diplomacy" in an aim to undermine the motherland's reunification. The international community has acknowledged that the United Nations is an international intergovernmental organization consisting of sovereign states, the PRC is the solely legitimate representative in the organization, and Taiwan is only a province of the PRC. The UNGA adopted a resolution to restore the PRC's legitimate rights in the United Nations and dispel Taiwan representatives from all UN organizations 23 years ago. The action offered a fair and perfect solution in dealing with China's representation issues in political, legal, and procedural terms. Now, disregarding most UN members' will, the Taiwan authorities lured a few countries to trumpet their "return" to the United Nations. It is intolerable and useless.

Second, Taiwan attempts to apply the "parallel representative format" used by former independent East and West Germanies and South and North Koreas after the Second World War and tries to create "two Chinas." Who does not know that East and West Germany and South and North Korea were forced to become separate countries according to an agreement reached by several countries in Yalta after the Second World War? Their status of sovereign states are universally acknowledged by the international community. International agreements after the Second World War all affirmed China's sovereignty over Taiwan. Taiwan is a province of China; therefore, it is not a sovereign state. This is a fact recognized by the international community. It is ridiculous to compare Taiwan issues with split Germany or Korea.

Third, Taiwan uses money to bribe other countries and poisons the international political atmosphere. Some leading figures from Taiwan never forget to remind others of how much money Taiwan has in its coffers. It seems that Taiwan thinks money can change the world order; can help Taiwan enter the United Nations; and with money, Taiwan can do whatever it wants. Representatives from Cuba and other countries pointed out: The current situation is indeed different from what it used to be; however, "the basic principles, history, and international laws have not changed." The UN resolution on Taiwan issues is still valid.

**Anhui Governor's Speech to Taiwan Compatriots**  
*OW2409084094 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 20 Sep 94*

[Transcribed radio speech by Governor Fu Xishou to Taiwan compatriots and their families on the occasion of the mid-autumn festival"; from the "Provincial Hookup" program]

[Text] Dear listeners, Governor Fu Xishou delivered a radio speech to Taiwan compatriots and their families on occasion of the Mid-Autumn Festival. The following is his transcribed speech:

[Begin Fu recording] Dear Taiwan compatriots, families of Taiwan compatriots, comrades, and friends:

The flowers are blooming and the moon is full. It is another year. At a moment when the Chinese people's traditional Mid-Autumn Festival is approaching, on behalf of the Anhui Provincial CPC Committee and the Anhui provincial people's government, I would like to extend holiday greetings to the vast numbers of Taiwan compatriots, their families, comrades, and friends working industriously on all fronts in Anhui and contributing to Anhui's economic construction and the promotion of Anhui-Taiwan economic exchanges, and to express a warm welcome to Taiwan compatriots who have invested in projects or run new businesses in Anhui or who are visiting families, touring, or conducting cultural or academic exchanges in Anhui.

Anhui-Taiwan economic exchanges became increasingly frequent and close in recent years. At present, there are 430 projects with Taiwan compatriots' investment in Anhui. They involved a total investment of approximately \$400 million. Taiwan-funded enterprises are set up in every prefecture and city in Anhui. Some famous Taiwan enterprises and industrialists sent personnel to conduct surveys and negotiations for investment in Anhui. Anhui-Taiwan trade increased by a relatively big margin. The vast numbers of families of Taiwan compatriots in Anhui show a very keen enthusiasm for setting up new enterprises—a phenomenon that is particularly pleasing. As their enterprises enjoy vigorous development and produce marked economic returns as well as social benefits, they have become important windows for attracting Taiwan compatriots' investments and new links for getting in touch with Anhui's townsmen in Taiwan. It is hoped that the vast numbers of Taiwan compatriots and their families will continue to bring into play their advantageous role as the channel for getting in close touch with those who are either in Taiwan or in other regions and countries, do more work, and attract more Taiwan compatriots and overseas businessmen to commit investments in Anhui and achieve common development.

While economic exchanges became increasingly frequent, cultural, academic, and sports exchanges between Anhui and Taiwan also entered a new phase of two-way exchange. In the first half of this year, the provincial Huangmei Opera Troupe and the provincial Chinese chess team visited Taiwan. Their visits further improved mutual understanding and deepened the feelings that each side cherish for the other.

More than ever, one would often think of one's dear ones far away on festive occasions. As the Mid-Autumn Festival, which symbolizes family reunion, approaches, we think more than ever of our Anhui townsmen and

Taiwan compatriots living on the other side of the Taiwan Strait. I would like to take advantage of this opportunity to extend holiday greetings and kind regards to them. We warmly welcome our Anhui townsmen and Taiwan compatriots living in Taiwan to frequently return to their hometowns to take a look and to get in touch with more people in all walks of life. As always, we will give them convenience and protect their legitimate rights and interests no matter whether they return home to visit families and friends, to spend their vacation on sightseeing, to conduct academic exchanges, or to invest in a project or run a new business.

Dear Taiwan compatriots, families of Taiwan compatriots, comrades, and friends: The Chinese nation created a splendid civilization that is 5,000 years old, thereby making great contributions to the progress and development of mankind. Today, we also firmly believe the Chinese nation has the ability to stand erect among the multitude of nations in the world. All the Yellow Emperor's children should unite under the banner of patriotism and the motherland's reunification, courageously forge ahead hand-in-hand, and contribute their share of brightness and heat to the Chinese nation's regeneration.

Lastly, I wish you all a happy holiday over the Mid-Autumn Festival. May everything turn out as you wish. Thank you. [end recording]

#### Taiwan Business Delegation Arrives in Hainan

OW2609103294 Beijing XINHUA in English 1006  
GMT 26 Sep 94

[Text] Haikou, September 26 (XINHUA)—A large business delegation organized by a Taiwan-based fund for commercial development across the Taiwan Straits arrived at this capital of south China's Hainan Province Sunday [25 September] for a six-day visit.

The delegation consists of 97 members, including businessmen from petro-chemical, agricultural, architectural and commercial enterprises and press men from major mass media in Taiwan.

The activity is to make the Taiwanese better informed with the rich natural resources and investment environment of Hainan, so as to promote economic cooperation between the two large islands.

#### Inner Mongolia, Taiwan Enhance Economic Cooperation

OW2609085894 Beijing XINHUA in English 0821  
GMT 26 Sep 94

[Text] Huhhot, September 26 (XINHUA)—A seminar was held recently in the north China's Inner Mongolia Autonomous Region to promote economic, trade and technological cooperation between the region and Taiwan.

The seminar, the first of its kind in the region, was sponsored by the Inner Mongolia Academy of Social Sciences and a Taiwan economic organization, and was attended by more than 60 economic experts from the mainland and Taiwan.

The statistics show the region and Taiwan have enhanced their economic cooperation in the past three years, with a registered two-way trade by 12 million U.S. dollars.

In addition, 93 Taiwan-funded enterprises have been set up in the region.

The participants to the seminar noted that, with a broad territory and abundant energy and raw materials in the region, the two sides would have a promising cooperation in the processing of dairy and food products, and the exploitation of resources.

#### Daily Criticizes Taiwan 'Money Diplomacy'

HK2609093494 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 23 Sep 94 p 5

[By Li Qun (4539 5028): "It Is Time for the Taiwan Authorities To Abandon the 'Money Diplomacy'"]

[Text] In recent years, the Taiwan authorities have made great efforts to pursue "elastic and realistic diplomacy" in the international community. One of their chief tactics is to apply "money politics," which is a common practice on the island, to the international community and to practice "money diplomacy."

It can be said that the Taiwan authorities have stopped at nothing and spared neither labor nor money in practicing "money diplomacy." The most common moves are: Using enormous amounts of money to buy over or directly bribe crucial personalities in some countries and to lure them into deals behind the scene; and taking advantage of economic difficulties of some countries and developing political relations with them under the guise of "providing economic aid and loans" for them. As a matter of fact, the various "economic aid" and "loans" the Taiwan authorities provide for these countries have obvious political intentions and clear political conditions attached, including allowing the Taiwan authorities to set up official organizations in these countries, upgrading existing organizations, and changing the names of the organizations; or having official contacts with the Taiwan authorities and even "establish" or "resume" "diplomatic relations" with them. In the past two years, the Taiwan authorities have raised a hubbub about "participating in the United Nations." They have also resorted to bribery. They have attempted to make some countries say or do things against their will after they have accepted some money.

In recent years, the common practices on Taiwan island are degenerating. The power of money dominates and bribery in elections is quite common. All this has caused a lot of complaints among the people. It is to be regretted

that the Taiwan authorities have exported and applied such practices to the international community instead of making a serious examination of them. It is even more surprising that an important political figure of the Taiwan authorities, while visiting South Africa recently, went so far as to declare before many overseas Chinese: "It is necessary to use Dr Sun Yat-sen (Here, he meant money because there is a photo of Sun Yat-sen on the Taiwan currency.) to conquer." No wonder some newspapers on the island sighed with feeling and held that this would land Taiwan in a dangerous position. The people on the island also ridiculed the Taiwan authorities as "spendthrift" and called such "diplomacy" of squandering the hard-earned money of the ordinary people "idiotic diplomacy." Taiwan's LIEN HO PAO recently published a letter from the people saying: The Taiwan authorities, "for the sake of entering the United Nations, have not hesitated to frequently use tens of millions of U.S. dollars in taxes, the sweat and toil of the people, to seek the establishment of diplomatic relations with various small countries or simply to have something to do with the United Nations. Such practice is open to question." The letter holds that if the Taiwan authorities "use the money to eradicate corrupt officials and elements of illegal societies, reorientate the economy, reform the politics, build underground railways on the island, build incinerators, and prevent air pollution, it will be more beneficial."

Besides, the move by the Taiwan authorities of using economic means to attain political goals in the international community, taking advantage of others' precarious position and making others do what they are unwilling to do, often meets with a rebuff and is broadly criticized. While rejecting the attempt of the Taiwan authorities to exchange "economic aid" for the "establishment of diplomatic relations," the leader of a certain African country said indignantly: "Taiwan mistakenly thinks that our country is like a little chicken which will follow others for the sake of a handful of rice. This is an insult to the dignity of our country. Diplomatic relations should not be bought with money. Using money to buy diplomatic relations is in itself a blasphemy to diplomatic relations." A former senior government official of another country also reminded others not to be cheated by "briefcase diplomacy" (meaning the "money diplomacy" by the Taiwan authorities) and pointed out that "briefcase diplomacy" would only benefit an extremely small number of people and not all the people. The foreign minister of a certain country even said explicitly: Diplomacy is a matter of principle involving state to

state relations and should never depend on offering money. Without principle, a country will forfeit its reputation. Because the Taiwan authorities pursue "money diplomacy," the foundation for its relations with countries "with diplomatic relations" is very fragile and such relations are to a great extent unstable. The Taiwan authorities are extremely worried about this and have specially set up a so-called "group for dealing with crises."

Although the "money diplomacy" pursued by the Taiwan authorities in the international community may succeed in some aspects within a short period, it seems difficult for such diplomacy to attain the anticipated goal. This is because: First, the United Nations and various countries in the world commonly recognize there is only one China in the world, the PRC Government is the sole legitimate government representing the people of all China, and Taiwan is an inseparable part of the territory of China. The "money diplomacy" practiced by the Taiwan authorities has ignored the principles of the international law and national principles of righteousness and is splitting up the motherland and undermining the unity of China. It will inevitably be opposed by Chinese at home and abroad and by the various countries of the world. Second, in recent years, China has been politically stable, the economy has been developing, the comprehensive national strength has been increasing, and China's international position and influence have been rising with each passing day. The overwhelming majority of the countries in the world have attached increasing importance to developing their relations of friendship and cooperation with China. Besides, they have gained a clearer understanding of the political plot by the Taiwan authorities of creating "two Chinas" or "one China, one Taiwan" in the international community. Third, diplomatic relations are established between two sovereign countries on the basis of the friendship between the peoples of the two countries and the long-term common interests of the two countries. Such relations cannot be bought with money. "Money politics" is dirty politics and "money diplomacy" is despicable diplomacy. It may succeed for a short time but it is doomed to failure from a long-term point of view. We hope that the Taiwan authorities will get a clear understanding of the situation, abandon their illusions, and earnestly do more things which are helpful to the development of relations between the two sides of the strait and to the reunification of the motherland. Only in this way will it be possible for the people on the two sides of the strait to share the dignity and glory of the great motherland.

**First IPR Talks With Mainland To Open 26 Sep**

*OW2409081594 Taipei CNA in English 0742 GMT  
24 Sep 94*

[By Benjamin Yeh]

[Text] Taipei, Sept. 24 (CNA)—Representatives from Taiwan and Mainland China will meet Monday [26 September] and Tuesday in Beijing for the first-ever cross-Taiwan Strait talks on the protection of intellectual property rights [IPR].

The Taiwan delegation will be led by H.Y. Hsu, deputy secretary-general of the Straits Exchange Foundation (SEF), a semi-official organization authorized by the government to handle intermediary affairs between the two sides in the absence of official contacts.

Hsu, along with SEF legal and trade officials, is scheduled to fly to Beijing on Sunday and return on Oct. 1.

In addition to attending the seminar, Hsu will also meet with mainland officials on the verification of legal documents concerning diplomas, taxes and qualification of professionalism.

Sources said Hsu, who played a key role in recent talks between SEF and its mainland counterparts, had previously declined to go to Beijing as a personal protest against Beijing's recent efforts to isolate Taiwan from the international community.

Under Beijing's pressure, the Olympic Council of Asia has revoked the invitation of political figures to the Hiroshima Asian Games. Though Taiwan President Li Teng-hui's name was not mentioned, his Japan visit was aborted.

Hsu was reportedly also angered by Beijing's moves to kill a proposal by 15 United Nations member states to consider membership for Taiwan.

**Official Views State of Cross-Strait Relations**

*HK2509073594 Hong Kong WEN WEI PO in Chinese  
18 Sep 94 pp A2, A4*

[“Special article” on interview with Tang Shubei, executive vice chairman of the Association for Relations Across the Taiwan Strait, by CHIAO PAO reporters Ho Yueh-ming (6320 6390 2494) and Hsieh Yi-ning (6200 0001 1337) on 15 September 1994 in San Francisco; interview originally carried by CHIAO PAO (Overseas Chinese Daily): “Tang Shubei on China's Reunification”]

[Text] Editor's note: On 15 September, Tang Shubei, executive vice chairman of the Association for Relations Across the Taiwan Strait [ARATS], who was participating in the 45th national day celebration sponsored by people in various circles in San Francisco in the United States, was interviewed by CHIAO PAO [Overseas Chinese Daily] reporters Ho Yueh-ming and Hsieh Yi-ning.

During the interview, he answered the reporters' questions on a series of sensitive issues, including the “Tang-Chiao Talks,” the attitude of Taiwan's political parties both in power and out toward China's reunification, the impact of international influence on China's reunification, and the policy of the Chinese Government on national reunification. The full text of the interview follows: [end editor's note]

[CHIAO PAO] After the “Tang-Chiao talks” concluded in Taipei, which aroused great attention among people throughout the world, a common reaction of the media was that “both sides have won.” The relevant departments on both sides of the strait have also spoken highly of the talks. As the main participant on one side of the talks, could you tell us something about the main achievements of the talks?

**A Breakthrough in the Tang-Chiao Talks**

[Tang Shubei] We must say that relatively great progress has been made in the just-concluded talks between the persons in charge of ARATS and the Straits Exchange Foundation [SEF]. Some people said a “breakthrough” has been made, and I think it is reasonable to say so. In the course of implementing the agreements reached in the “Wang-Ku talks” last year, there has been a problem, that is, how to avoid disputes between both sides over the issue of jurisdiction so that some pressing routine matters can be resolved. Originally, the Taiwanese side wanted and repeatedly demanded to achieve their goal of “breaking up and administering separately.” But the mainland side did not agree. In our opinion, it is an objective fact that both sides of the Strait are not yet reunified now, but on no account should we intensify this reality with any agreements. Moreover, we believe that although both sides are now in a state of separation, it does not mean that China has broken up completely. Therefore, we proposed avoiding politically sensitive issues, such as the issue of “judicial jurisdiction,” and to strive for the solution of some routine issues to benefit the people on both sides. Now, people are demanding the continuous development of relations between both sides of the Strait. Under such circumstances and through negotiations between the persons in charge of the two associations last February and the talks between myself and Mr. Chiao Jen-ho this time, the Taiwanese side has finally declared that it does not intend to reach its political wishes through negotiations on routine matters. Judging from this point, this is obviously a progress.

Since the Taiwanese side has, to a certain extent, reached unanimity with our side, that is, not to attain the goal of “breaking up and administering separately” through negotiations on specific routine matters, and has withdrawn this demand, better conditions have been created for the Taipei talks. Both sides have reached a common understanding that no side should impose its political wishes on the other through negotiations on routine matters. This is indeed a breakthrough.

Furthermore, the Taiwanese side originally linked my visit to Taiwan with the question of whether both sides

could reach an agreement over the three routine issues under discussion. In other words, only under the condition that both sides could reach an agreement over the three routine issues, would they "welcome" me to Taiwan to sign the agreement. However, under a situation where compatriots on both sides have a strong demand for success in routine negotiations, the Taiwanese side has voluntarily withdrawn this "link." In this regard, the positive attitude of the Taiwanese side should also be affirmed.

[CHIAO PAO] What is your deepest impression of these "Tang-Chiao talks"?

[Tang] My deepest impression is that, despite the fact that there are differences between both sides on political affairs and the mutual trust between us needs to be greatly strengthened, when they sit down to exchange views patiently, proceeding from the principle of "one China," and carefully avoiding sensitive political issues, and take into consideration the views of the other side while adhering to their own principles, the Chinese on both sides of the strait are still able to reduce certain differences and resolve certain routine issues. This is significant to compatriots on both sides.

#### Ball Now On Taiwanese Side

[CHIAO PAO] Are there any issues under discussion which should have been resolved through discussion during these "Tang-Chiao talks" but on which no common understanding has yet been reached by both sides? Will they be resolved through consultations at the next routine meeting?

[Tang] Originally, we hoped that an agreement could be signed, because problems concerning the three routine matters had already been resolved and we had reached a stage of consultation over wording and a final decision. But the Taiwanese side held that time was not enough for it. That is why the work was not continued. We had also exchanged views on certain issues concerning both sides in an unofficial way. For example, when Taiwanese troops stationed in Quemoy nad Matsu shot at and killed mainland fishermen we pointed out that since the Taiwanese side had announced ending of the "period of mobilization for suppression of communist rebellion," why were their servicemen allowed to use such cruel means against totally unarmed fishermen from the mainland? This was entirely incompatible with the current atmosphere on both sides of the Strait. Although this involves some sensitive issues, we insist that we can still avoid sensitive issues and reach certain understandings on no firing at unarmed people by the troops of both sides. In fact, fishermen from Taiwan have also entered the mainland's forbidden military areas, but mainland troops have never fired at them. Originally we hoped that this issue could have been resolved, but since there are different views between both sides, no agreement has yet been reached.

[CHIAO PAO] Since beginning of this year, ARATS and the SEF have both advocated that there will be a second

"Wang-Ku talks" to promote the development of bilateral relations. But after the "Tang-Chiao talks," the Taiwanese side changed its tone. It is already mid-September now. According to your judgment, will the second "Wang-Ku talks" be held as scheduled this year?

[Tang] Both Mr. Chiao Jen-ho and myself believe that we should create conditions for a second "Wang-Ku talks." The Taiwanese side originally said unofficially that after the consultations over the three routine matters, the issue of "Wang-Ku talks" would be taken into active consideration. At present, however, some policy makers in Taiwan have changed their tone. The mainland side has already clearly declared that we hope the second "Wang-Ku talks" will be held within this year. If I use a technical term to express it, the ball is now on the Taiwanese side. The mainland has kicked the ball to the Taiwanese side. We would like to see how the latter will kick back the ball!

[CHIAO PAO] This means that on this issue, the mainland is in an active position.

[Tang] Yes. We put forth our proposal long ago, and the Taiwanese side also said they would create conditions for the talks. But so far there has still not been a definite and official reply from the Taiwanese side.

[CHIAO PAO] Could it be interpreted the other way that a second round of "Wang Daohan-Ku Chengfu talks" is not very likely to be held this year?

#### Pro-Taiwan Independence Elements Swollen With Arrogance

[Tang] Well, this is up to the Taiwan side. If you have the opportunity to see Mr. Chiao Jen-ho or Mr. Ku Chengfu, you had better ask them that question, and you would possibly get a definite answer.

[CHIAO PAO] During your stay in Taiwan for talks, the Democratic Progressive Party and some pro-Taiwan independence organizations organized some people to stage a protest. Independence for Taiwan was merely a week undercurrent 10 years ago, but it has now risen to the surface. What do you think about this development?

[Tang] Well, the past few years have seen some good developments in the relations between the two shores of the Taiwan Strait, trade and exchange of personnel have increased substantially, and negotiations on specific routine matters between the ARATS and the SEF have constantly made progress despite difficulties. However, since there have been great changes in the political forces on the island of Taiwan, and the faction supporting the attempt to create "two China's" or to maintain "one China, one Taiwan" has emerged as a dominant force within the Kuomintang [KMT], those in power within the Taiwan authorities have backed off from the policy of "one China." Some prominent figures in Taiwan openly declare: "One China" is not something to be achieved now but a goal for the future. The reality is that we have "two China's" now, or we have a "ROC in

Taiwan." Another very important factor is that some international forces, especially those in the United States and Japan who do not want to see the reunification of China, are supporting and encouraging independence for Taiwan. Under such circumstances, one has seen pro-Taiwan independence elements becoming swollen with arrogance. It has always been my belief that the majority of people are in favor of stable relations between the two shores, and that they advocate that Taiwan and the mainland should maintain a type of relationship based on mutual benefit and that the mainland and Taiwan should ultimately be reunified. I have found that many of those who advocate "independence for Taiwan" have never set foot on the mainland and are therefore ignorant of the mainland. We should have confidence in the reunification of the country. It is believed that more people who now advocate "independence for Taiwan" will change their view as a result of the efforts of compatriots on both shores and the support of overseas Chinese.

[CHIAO PAO] You have long been in charge of Taiwan affairs. As far as I know, you maintained a lot of contact with some "pro-Taiwan independence" figures when you were general consul in San Francisco and minister-counsellor at the Chinese Embassy in the United States. Can you talk about your impression of these "pro-Taiwan independence" figures?

[Tang] The "Taiwan independence" issue is a historical phenomenon which is a consequence of some objective factors. 1) The corrupt and impotent Qing government ceded Taiwan to Japan after its defeat in the Sino-Japanese War of 1894-1895. The people on the island of Taiwan at that time suffered from cruel Japanese rule. So they had grievances against the traitorous and humiliated Qing court and thus against the whole mainland. 2) The KMT army took over Taiwan after the victory of the Anti-Japanese War. But during the takeover the army did many things to hurt the Taiwan people. What is more, many local people, including some people of mainland origin, were massacred during the 28 February Incident, which sowed the seeds of hatred. 3) International forces have constantly intervened in the Taiwan issue. In order to split China, they have always encouraged and supported attempts by some people on the island to strive for "Taiwan independence." Besides, internal turmoil and regression on the mainland during the 10 years of the "Great Cultural Revolution" have cast a shadow on some Taiwan people's minds. By and large, the "independence for Taiwan" campaign is a very complicated historical phenomenon. I think most of those who support the idea of "independence for Taiwan" will turn to the right path as soon as they find out the historical truth, realize the Western imperialists' purpose to sow discord between the two shores of the Strait and pin down China, and see the political situation and social conditions in mainland China today. As for those who are perfectly happy to act as the imperialists'

running dogs, one can find their predecessors in history. However, people of this kind are extremely rare and they will not get anywhere.

#### Not To Insist on Party-to-Party Talks

In the past, I have set much store by my contact with the then non-KMT figures who are now members of the Democratic Progressive Party. I kept in touch with them even during their most difficult days. After I was appointed minister-counsellor to Washington, I invited them to social gatherings and dinner parties. I believe that in the wake of the development of the economy, democracy, and the legal system on the mainland, and the promotion of contacts between the two shores of the strait, the overwhelming majority of those who advocate "independence for Taiwan" today will change their stand.

[CHIAO PAO] At present, there is a ruling KMT, an active Democratic Progressive Party, and a newly born party. They hold different stands on the question of the reunification of China, but each of them has their own say. In your opinion, how does mainland China identify these three political parties? While insisting on holding negotiations with the ruling party as a precondition, will mainland China be willing to contact the opposition parties with a view to enhancing mutual understanding?

[Tang] I think that it is not that we identify these three parties but that they identify themselves. We are willing to establish and develop relations with all political forces or individuals who favor the development of relations between the two shores and support national reunification. But it is up to them to assume their positions and to evaluate their relations with the mainland, hostile or cooperative, or intending to reunify with the mainland at last. For our part, our attitude is very clear—we will keep in touch with all political forces and individuals who advocate a positive, interactive relationship between the two shores of the strait, and who support the reunification of China. We place hope on the Taiwan authorities, and we place still more hope on the Taiwan people. Regarding negotiations, President Jiang Zemin has said that under the principle of "one China," the two sides can discuss to determine a form of negotiations acceptable to both sides. We favor party-to-party negotiations with the KMT, and this offer remains open. But we are not insisting on party-to-party negotiations, and we are willing to work out a form of negotiations acceptable to both sides.

[CHIAO PAO] The Taiwan authorities are very sensitive to mainland China's efforts to limit their room for international activities, and they have said that they will go all out to expand their room for international activities by staging a series of campaigns, such as the so-called "vacation diplomacy," "transit diplomacy," and "sporting diplomacy." Recently, to seek access to the opening ceremony of the Asian Games in Hiroshima, Japan, Li Teng-hui was even ready to downgrade himself to an incredible extent. What is the bottom line of the Chinese

Government in this regard? To be specific, in the Chinese Government's eyes, what activities of Taiwan in the international community are tolerable, and what is considered to be related to "independence for Taiwan" or an "independent Taiwan" and thus intolerable?

#### On Taiwan's "Room of Maneuver"

[Tang] The policy in this regard is very clear: the PRC is the sole legal government of China, while Taiwan is a province of China and a part of China. The Chinese Government has no objection to any unofficial, economic, and cultural contacts between Taiwan and any country that maintains diplomatic ties with China. This is a principle, which up to now remains the same and unchanged. I hold that within this framework, that is, under the principle of "one China," Taiwan enjoys very broad room of maneuver. The Taiwan side has stated that they have joined more than 700 international organizations; they have set up many nongovernmental offices, agencies, and organizations in countries which maintain diplomatic ties with China; Taiwan's foreign trade volume will reach more than \$170 billion this year; and Taiwan tourists can visit all countries with no difficulty. Therefore, Taiwan's room for maneuver is very large. The problem now is that those in power in Taiwan are making use of the public's desire to expand their room for activity to fabricate "two China's" and to sow discord between the Taiwan people and the mainland government. To cope with this we need to explain to the Taiwan people and convince them that they do enjoy room of activity. As for the Taiwan authorities' attempt to "join the United Nations," in so doing they are trying to fabricate "two China's" with a view to permanently separating Taiwan from China. This is the first point. Our second point is that we hold to this attitude: Under the principle of "one China," we will sit down at the negotiating table and discuss any question. If you really want to expand your room for international activities, you can discuss it with the mainland. What room of activity do you actually want? Does your room of activity conform with and not violate the principle of "one China"? At present, they do not discuss this with us but go around accusing the mainland of depriving them of their room of activity. In so doing their real purpose is to sell the idea of "two China's." I am sure that more and more Taiwan people will awake to this motive of the authorities.

As for the case of Li Teng-hui trying every means to attend the opening ceremony of the Asian Games in Japan, it is very obvious that he wants to mix sport with politics, which is very absurd indeed. Taiwan is definitely not a country, and it participates in the Olympic Games in the name of Chinese Taipei. When Taiwan initially joined the games, one of the requirements was that Taiwan should not use the letters ROC (the English abbreviation for "Republic of China"), nor should it fly its own flag, so the presence of a head of state at the Asian Games is just irrelevant. Now, Taiwan has stirred up political disputes, and this in itself has violated the

commitment it made on joining the Asian Games and has breached the charter of the Olympic Games. Is this not an attempt to mix sport with politics and undermine the Asian Games? Yesterday I read (in CHIAO PAO) a report saying that the Asian Olympic Committee had announced that no political figures will be invited to attend the Asian Games. This is a wise decision. I hope this decision will really be honored so that the Olympic principle of no political interference in sport will be perfectly safeguarded.

#### United States Should Stop Selling Arms to Taiwan

[CHIAO PAO] The U.S. Government on 7 September announced that a review of its Taiwan policy had been completed, and that it had agreed to have the "Office in the United States of the Coordination Council for North American Affairs" renamed as the "Taipei Economic and Cultural Representative Office in the United States." Now that a big country which maintains official diplomatic ties with the PRC is unilaterally adjusting its relations with Taiwan, what impact may this have upon contacts and reunification between the two shores of the Taiwan Strait?

[Tang] As far as this is concerned, the Chinese vice foreign minister has expressed to the U.S. Government the Chinese Government's solemn and just stand. As a member of the team in charge of affairs related to contacts and exchanges between the two shores of the Strait, I fully support the Chinese Government's stand. This event indicates that those in power within the Taiwan authorities are backing off from the stand of "one China," and the U.S. Government is supporting those in power in Taiwan in their attempt and campaign to fabricate "two China's," as well as those elements striving for Taiwan independence, and it has violated the principled spirit of the three Sino-U.S. joint communiques. This does not conform with the desire of the Chinese people on both sides of the Strait for the reunification of the motherland, and it will only harm the further development of relations between the two shores of the Strait.

[CHIAO PAO] In recent years, Taiwan has spent lavishly on arms expansion, and has updated and upgraded the armaments of its ground forces, navy, and air force across the board. What is more, the weapons Taiwan is buying are tending to be more powerful than it needs for defensive purposes, or can actually be used for offensive purposes. Li Teng-hui did note that "military strength is Taiwan's bargaining counter and backing when it deals with the other side of the Strait." Do you think that Taipei is "warming up" for its struggle for independence with the support of international forces?

[Tang] Indeed Taiwan has bought modern weapons from some countries, a considerable portion of which are supplied by the United States. Several years ago when I was minister-counsellor at the Chinese Embassy in Washington, I lodged protest with the U.S. Government on this matter. Very obviously, in doing this Taiwan is

trying to fabricate "two China's." Some people in the Taiwan authorities have said that to negotiate with the mainland on the reunification issue one definitely needs the support of strength. This saying carries the same message conveyed by Li Teng-hui. What kind of strength do they want? In fact, they are building up their strength to fabricate "two China's." Theirs is a very dangerous mentality and act. Similarly, this is very dangerous for the United States as well. Back in 1945, the United States already seriously intervened in China's internal affairs, hence it is to a certain extent responsible for the present separation between the two shores of the Taiwan Strait. Three joint communiquees were signed before the establishment of diplomatic ties between China and the United States. However, since then, never has the United States observed to the letter restrictions on arms sales to Taiwan prescribed in one of the communiquees (the 17 August Joint Communique). Adherence to the principles laid by these three joint communiquees is not only in keeping with the interests of both China and the United States but is also of important significance to peace and stability in the Asia-Pacific region. So, based on this consideration, the U.S. Government should stop supplying Taiwan with weapons and other military equipment.

#### Absence of Timetable for Reunification

[CHIAO PAO] In general, overseas Chinese would hate to see the two sides of the Strait going to war and facing off with each other on the battlefield. Under what specific circumstances would the Chinese Government resort to force against Taiwan? And, since reunification is a rather long process, can we say that the Chinese Government would not easily resort to force, merely for the sake of reunification?

[Tang] Our White Paper is very clear on this point: We may resort to any means necessary to safeguard the integrity of state sovereignty. We hope to resolve the problem of Taiwan with peaceful methods, and we have the patience to resolve this problem—we do not have a timetable for reunification. We favor strengthening, first of all, cross-strait economic exchanges, complementing and benefiting each other in search of collective economic prosperity for both shores and also as a means to maintain detente between them. We favor conducting talks on routine businesses as well as high-level cross-strait negotiations on political affairs to resolve our differences. However, when state sovereignty is at stake, the Chinese Government reserves the right to resort to any means necessary to safeguard territorial and sovereign integrity.

[CHIAO PAO] A news dispatch by a Taiwan reporter from Beijing claimed that apart from "one country, two systems," Communist China is studying and deliberating a federal system as a possible mode for two-shore reunification. There was also a report which said that Communist China had agreed to recognize domestically

the existence of two equal political entities under the principle of "one China." Is this true? Do such possibilities exist?

#### Impossible to Institute a Federal System

[Tang] We have consistently maintained that "one country, two systems" is the best way to give due regard to both history and reality; and we have also held that under the principle of "one China" all problems are open for discussion and likely to meet with a solution. Personally, I do not think that a federal system has ever been historically part of Chinese tradition. But we do think that after reunification neither side should devour the other, but both should preserve their own system. A Taiwan leader recently said that Taiwan would be swallowed up by the mainland if it reunified with the mainland now. We have no intention of swallowing up Taiwan. Such a remark about being swallowed up shows only the ignorance of the speaker and his lack of understanding of mainland policy. As regards the federal system, it is an integration system between sovereign states, and therefore is a system about two or more countries, not one country.

[CHIAO PAO] One school of thought current overseas sees China as on its way toward reunification, while another holds that formal contact and mutual trust has been decreasing and both sides are increasingly estranged and alienated from each other. What is your view?

[Tang] There is truth in both views: They both indicate an aspect of the matter. I believe that elements conducive to reunification and those furthering the state of separation are both growing. It is not time yet to draw any conclusions. What we need now is work hard. At this delicate moment, when both kinds of elements are growing, actions taken by the United States that violate the principles of the three communiquees have had a very negative impact on the reunification of China. We for our part must be confident. Though cut off for years, cross-Strait economic exchanges, after seven years of development, are now unstoppable, and so is travel and visits by people between the two shores. I think even government contacts, and even the three communications [direct postal, telecommunications, and transport links] are unavoidable. On the other hand, we must not lower our guard and become careless. Forces who do not wish to see a reunified China are still working actively. We cannot afford to grow complacent.

[CHIAO PAO] What specific things can American Chinese do to promote the great cause of two-shore reunification?

[Tang] American Chinese have done a great deal of work for the great cause of the reunification of China. They have traveled to both sides of the Strait to gain understanding, are eager to promote cross-Strait economic cooperation, and have made suggestions on the reunification of the motherland. They should continue doing

these. One thing they should do more is that they should strengthen ties and increase understanding between overseas Chinese hailing from the mainland and those from Taiwan. It is true that some Chinese of Taiwanese origin, due to historical reasons, are keener about Taiwan independence. It is necessary to make them, through communication and understanding, see that only reunification genuinely accords with the fundamental interests of the 20 million-odd Taiwan compatriots, and the pursuit of separatism only helps the interests of forces who do not want to see China become strong. The interests of some 20 million Taiwan compatriots should not conflict with those of the 1.1 billion mainland people, but should be integrated. It is hoped that Chinese in America will do more in this area. Lastly, I want to give my regards through CHIAO BAO to all American Chinese who show concern for me and the great cause of the reunification of the motherland.

#### MAC To 'Readjust' Policy on Cross-Strait Ties

OW2609063994 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT 25 Sep 94

[From the "Hookup" program]

[Text] Communist China's boycott against our government official's participation in the Hiroshima Asian Games and our efforts to participate in the United Nations has caused unfavorable influence on cross-strait ties.

It was learned that the Mainland Affairs Council [MAC] considers communist China's reactions to the Asian Games issue as one of its tricks to force our country out of the international arena. The MAC believes that communist China's reaction this time was stronger than ever. In early October, the MAC will readjust its pace and scope of cross-strait exchanges in response to communist China's unfriendly moves.

It was also learned that, in addition to readjusting measures for cross-strait exchanges, the MAC will make a plan for cross-strait consultations, including the timing of the second Wang-Gu talks, in the light of a possible meeting between the leaders of the two sides of the Taiwan Strait at the Asia-Pacific Economic Cooperation [APEC] in November as well as the results of gubernatorial and mayoral elections in Taiwan by the end of this year.

A MAC official said: If the Chinese authorities behave with grace and ease at the APEC meeting and the political situation in Taiwan is stable after the gubernatorial and mayoral elections, it is possible the relevant authorities will accelerate their plan for the second Wang-Gu talks.

#### Time Not Ripe To Move Closer Toward Unification

OW2309142694 Taipei CNA in English 1347 GMT 23 Sep 94

[By Bear Li]

[Text] Taipei, Sept. 23 (CNA)— Premier Lien Chan said Friday [23 September] that the time is not yet ripe for Taiwan to move closer toward the goal of national unification.

Lien said that under the guidelines for national unification—a three-stage plan for reaching the goal—current cross-strait relations are still in the first stage, or limited to unofficial exchanges.

Lien, while replying to a query at the Legislative Yuan, said that since no "positive interactions have emerged between the two sides" due to Beijing's move to isolate Taiwan in the international community, the government cannot push forward further cross-strait ties beyond the initial stage of the guidelines and into the next stage, under which direct postal and trade exchanges and transportation links would be allowed.

Only after all the goals included in the first two stages are accomplished can the two sides enter into talks for national unification, according to the guidelines.

"It's regretful that Beijing is still handling cross-strait ties in a rigid manner," Lien said, pointing to Beijing's blockade of President Li Teng-hui's planned trip to next month's Hiroshima Asian Games and its military exercise on Tungshan Island, which is near Kinmen Island.

#### Chinese Team Postpones Departure for Asiad

HK2409042294 Hong Kong LIEN HO PAO in Chinese 24 Sep 94 p 10

[By special correspondent Wang Yu-yen (3769 3768 3601): "Mainland Team Reportedly Postpones Trip to Japan To Await 'Final Decision' From Central Authorities"]

[Text] Beijing, 23 Sep—Informed sources have disclosed that Beijing has ordered the mainland delegation to the Asian Games to postpone its trip to Hiroshima and await a final decision from the "central authorities" on whether to boycott the games.

Since Japan is allowing Hsu Li-teh, vice premier of Taipei's Executive Yuan, to visit Hiroshima, whether or not the mainland will participate in the Asian Games is still unknown.

It is learned that the Beijing authorities are now exerting pressure on Japan, expecting that Hsu Li-teh's trip will be stopped. According to an initial decision at present, various single-event teams will delay their date of departure to wait for final information from the relevant departments. Moreover, from now on, all news concerning the Asian Games will only be issued by the official XINHUA News Agency. No other news media are allowed to issue such news without authorization.

#### Vice Premier Still Planning Trip to Hiroshima

OW2309154294 Taipei CNA in English 1405 GMT 23 Sep 94

[By Y.C. Tsai]

[Text] Taipei, Sept. 23 (CNA)—Despite Beijing's relentless pressure on the Japanese Government, Vice Premier Hsu Li-teh said Friday [23 September] that he will definitely go to Hiroshima for the XII Asian Games, which begin Oct. 2.

Mainland China has urged Japan to revoke the entry permit for Hsu to attend the games. On Monday, President Li Teng-hui canceled his plan to attend the Asiad opening ceremony as a result of Beijing pressure on Japan and the Olympic Council of Asia (OCA) to block Li from attending the games.

Tokyo, however, has not acceded to Beijing's request regarding Hsu, holding that he will visit Hiroshima in his capacity as head of a Taiwan task force bidding to host the 2002 Asian Games.

Meanwhile, Rock Leng, spokesman for the Ministry of Foreign Affairs, said that it would be inappropriate for Japan to handle a sports matter in a political way.

Leng made the remarks in response to press reports that Japan will allow Hsu to attend the Hiroshima Games, but that future visits by Taiwan's ranking officials will be banned.

As Hsu's forthcoming presence at the Asiad is purely for sports activities and meets the OCA charter, Leng said, Tokyo need not talk or consult with Beijing on the matter.

Chinese Taipei Olympic Committee President Chang Feng-shu noted that now is the best time for Hsu to go to Hiroshima because Beijing's political interference in sports has disgusted many other Asian countries, which will be conducive to Taiwan's bid to host the 2002 Asian Games.

Chang also said that the committee's deputy secretary-general, Chen Kuo-yi, and Yao Yuan-chao, director of the committee's department of international relations, have just returned from a trip to Kuwait, where they met with OCA President Ahmad al-Fahad al-Sabah.

Ahmad could not visit Taiwan before the Hiroshima Games due to a tight schedule, but promised to come by the end of the year, Chang quoted the two committee officials as saying.

Moreover, he noted, they carried a letter from Ahmad to President Li, which he said will be delivered in the next couple days.

#### Taipei Says Li Should Attend Nov APEC Meeting

OW2309141794 Taipei CNA in English 1333 GMT  
23 Sep 94

[By Bear Li]

[Text] Taipei, Sept. 23 (CNA)—The Republic of China [ROC] has so far failed to respond to an Indonesian proposal that it send ranking economics officials to

November's informal Asia-Pacific Economic Cooperation (APEC) summit meeting instead of President Li Teng-hui.

According to a well-informed local diplomatic source, the Indonesian Government sent a delegation to Taipei in August in an attempt to persuade Li not to attend the meeting of the 17-member grouping.

He said Indonesia expressed the hope that Taiwan would follow the example it set at last year's APEC meeting in Seattle, where it was represented by Hsiao Wan-chang, chairman of the Council for Economic Planning and Development, instead of Li. That arrangement was made so as not to upset Mainland China, which is also an APEC member.

Taipei is insisting that Li should attend, however, and if not him, then Premier Lien Chan.

Most of the other APEC members wanting to take part in the meeting have already accepted invitations from Jakarta, the source said.

Indonesia will not deliver an invitation for Taipei until the present issue is resolved, the source said.

#### UN Membership Drive Makes 'Marked Progress'

OW2409075894 Taipei CNA in English 0734 GMT  
24 Sep 94

[By Benjamin Yeh]

[Text] Taipei, Sept. 24 (CNA)—The head of an unofficial Taiwan mission lobbying for United Nations membership, said Saturday [24 September] that the government's UN push has made marked progress even though the proposal was not included on the agenda for the coming UN General Assembly.

"Support for Taiwan is on the rise, given that more countries stood up to speak for Taiwan than last year," James Chu said on his return from the US.

"Even some countries opposed to the proposal admitted that it is an issue which remains unsolved," said Chu, concurrently the deputy secretary-general of the Kuomintang [KMT].

Twelve UN member states proposed on July 15 that "the UN General Assembly set up an ad hoc committee to study comprehensively aspects of the exceptional situation of the ROC on Taiwan, namely its exclusion from the organization and deprivation of its right to participate normally in international activities."

The proposal, endorsed by three other countries, failed to get enough support to list it on the agenda of the 49th General Assembly when the general committee met earlier this week.

Chu's delegation, comprised of prominent political figures from both the ruling KMT and opposition parties, called on US congressmen as well as British and German

ambassadors to the UN. The delegates also met with reporters and academics at several seminars during their nine-day stay in the US.

"The wish to join the UN by Taiwan won widespread support and sympathy," Chu said, speaking of the general impression he had on Taiwan's UN efforts.

As a matter of fact, he pointed out, the international mass media have paid greater heed to the bid since President Li Teng-hui voiced hope in March 1993 that the issue would get more attention.

In the US alone, more than 210 articles and editorials have been printed in major newspapers, Chu added.

"As long as the people here can work together and continue to progress on the economic and political fronts, the Republic of China [ROC] on Taiwan will eventually be admitted into the United Nations," a confident Chu said. "It is just a matter of time."

During an interview with CNN prior to his departure from the US, Chu said his countrymen will launch more concerted efforts despite this year's setback, the second in two years.

Chu said "we'll also try to let Beijing know Taiwan's entry into the UN will not hinder the unification of China but will be instrumental to the goal agreed on by the two sides.

#### Trade Official Lobbies for GATT Bid in Paris

OW2609084794 Taipei CNA in English 0713 GMT  
26 Sep 94

[By M.J. Tzou]

[Text] Paris, Sept. 24 (CNA)—After joining the General Agreement on Tariffs and Trade (GATT), Taiwan will become a super free trade zone, even surpassing the standards of most developed countries, Huang Yen-chao, director-general of the ROC [Republic of China] Board of Foreign Trade said over the weekend in Paris.

Speaking at an informal workshop organized by the Organization for Economic Cooperation and Development, Huang said that Taiwan had to thoroughly liberalize its developing economy in order to meet GATT entry requirements and has embarked on one of the most ambitious economic reform programs of any developing nation.

Through bilateral accession negotiations, Taiwan has pledged trade liberalization and tariff concessions, removed almost all protection for agricultural products, opened its market to foreign cars and service industries and liberalized the tobacco and alcohol industry.

Strictly speaking, Huang said, Taiwan is still a developing economy and many of its industries are still growing. Therefore, Taiwan needs a series of far-reaching economic adjustments to help it meet GATT developed nation requirements.

Restructuring of industries through technological upgrading and capital expansion will make them more competitive as well, Huang said.

#### Talks on GATT Center on Farm Subsidies

OW2409082094 Taipei CNA in English 0750 GMT  
24 Sep 94

[By M.J. Tzou and Y.C. Tsai]

[Text] Geneva, Sept. 23 (CNA)—Delegates from Taiwan and the United States Friday [23 September] discussed Taiwan's farm subsidies in the fourth round of bilateral tariff concession consultations under the General Agreement on Tariffs and Trade (GATT) framework.

The discussions went smoothly, said Chen Wu-hsiung, director of the Economics and Planning Department under the Council of Agriculture. Chen represented Taiwan at the talks.

Taiwan's pledge to adhere to the Uruguay Round Agricultural Accord by reducing subsidies on rice, corn, soybeans and sorghum to 20 percent within six years after its admission into GATT was well received by the American side, he pointed out.

Currently, the Taipei government purchases the four agricultural items at guaranteed prices, which is a policy tantamount to subsidy.

Both sides, however, argued over the subsidy on rice exports, Chen noted. Taiwan delegates held that prices of rice exports are higher than those at home, thereby constituting no subsidy problem at all, while the United States viewed the government purchase of rice at guaranteed prices as a kind of export subsidy.

The delegates later agreed to further negotiations on the issue, which is closely related to the formula regarding opening of Taiwan's rice market, he added.

On the two items of sugar and tobacco, which are bought by Taiwan's state-owned enterprises at guaranteed prices for export processing, the United States welcomed Taiwan's plan to cut the subsidy by 24 percent in six years upon its entry into GATT.

Chen noted that the subsidy reduction is also in line with the Uruguay Round accords reached in mid-December.

Taiwan delegates also explained to their American counterparts an equational fund for banana exports, which was previously suspected to be kind of export subsidy. Actually, he said, the fund collects money from banana farmers in an export boom and compensates the farmers at a time of losses.

Chen said the matter in dispute at the talks was the US request that Taiwan completely cancel all kinds of export subsidies rather than reduce the subsidies following its accession to the Geneva-based world trade regulating body.

"We will continue talks to resolve the issue," he noted.

### Chief Planner Says Economy Steadily Growing

OW2409082394 Taipei CNA in English 0758 GMT  
24 Sep 94

[By Debbie Kuo]

[Text] Taipei, Sept. 24 (CNA)—The Taiwan economy remained on the track of steady growth in August, despite four strong typhoons which seriously affected agricultural output, Taiwan's chief economic planner said Saturday [24 September].

Hsiao Wan-chang, chairman of the Council for Economic Planning and Development (CEPD), who will make a report to the Executive Yuan next week on Taiwan's overall economic performance in August, said the economy flashed a "green light" rating for the sixth straight month in August, indicating that Taiwan's economy is steadily growing.

Taiwan's foreign trade structure changed remarkably in August, Hsiao said in his report, adding that both the trade surplus with the United States and the trade deficit with Japan hit record lows for the past 12 and nine years respectively.

Hsiao said industrial production on the island grew 3.53 percent in August, boosting annual production growth to 6.08 percent for the first eight months.

In August, the manufacturing industry grew 3.22 percent, compared with 5.06 percent for the Jan.-Aug. period. The information and electronics industry topped all manufacturing industries by securing a 11.4 percent growth, Hsiao said.

Imbalance in the country's foreign trade improved remarkably in August, thanks mainly to an upturn in exports, he said. August exports soared 5 percent to top US\$7.99 billion, the second highest single month record.

August imports totaled US\$7.15 billion, up 10 percent from the similar month of 1993.

The country's trade surplus, however, continued to drop in August, he said. Monthly trade surplus stood at US\$0.84 billion in August, down 24.4 percent from the same month a year earlier.

The trade surplus shrank about 24 percent to US\$3.9 billion in the first eight months.

Meanwhile, the consumer price index shot up 7.06 percent in August, a 12-year high, because of four consecutive typhoons which whipped up vegetable prices by 50 percent and fueled a 29 percent price hike for eggs.

If food factors were excluded, he said, the consumer price index grew a moderate 3.3 percent, on par with previous years.

Hsiao reported that tax revenue grew a moderate yet normal 2.9 percent in August, making annual tax income accumulate to NT [new Taiwan] \$199 billion since the beginning of FY 1995, achieving 17.2 percent of the annual growth target for FY 1995 which began July 1.

### President Receives Solomon Islands Prime Minister

OW2609082894 Taipei CNA in English 0725 GMT  
26 Sep 94

[By Danielle Yang]

[Text] Taipei, Sept. 26 (CNA)—President Li Teng-hui thanked Premier Francis Billy Hilly of the Solomon Islands for his country's firm support of the Republic of China [ROC]'s bid to enter the United Nations.

While meeting with Hilly Monday [26 September], Li said that the ROC on Taiwan has not only made economic progress but is also committed to a democratic society. Its developments over the past 40 years have been confirmed by world countries.

Moreover, the ROC is willing to repay the international community and countries in need with its own experiences, Li told Hilly.

Li stressed that the international community should not overlook the existence of the ROC on Taiwan and expressed hope that the world's freedom-loving countries, including the Solomon Islands, can render their support to assist the ROC to join international organizations.

"We also understand we have to make more efforts and there is a long way to go before the island can rejoin the United Nations," Li noted.

Hilly reiterated that the government and people of the Solomon Islands will continue their firm support of Taiwan's UN bid.

Hilly said he was impressed with the friendly people here and their hospitality.

The ROC established formal diplomatic ties with the Solomon Islands in 1983 and maintained close cooperative relations with the Oceanian island country over the past decade.

### Taiwan Becomes Second Largest Mainland Investor

OW2409174494 Beijing XINHUA in English 1538  
GMT 24 Sep 94

[Text] Haikou, September 24 (XINHUA)—Taiwan has become the second largest investor in China's mainland after Hong Kong by pouring 9.3 percent of China's overseas investment, according to a national trade fair being held here.

During the years from 1979 to 1993, Taiwan launched 21,000 enterprises in the mainland, accounting for 12.3 percent of the total number, with the contracted investment of 130 billion U.S. dollars.

Prior to the year 1991, the number of Taiwan-funded enterprises surpassed that of the U.S.-funded ones, but the total amount of their investment was lower than the U.S. ones.

In 1992, Taiwan's actual investment in the mainland soared to 1.05 billion U.S. dollars, up by 1.2 times over the previous year. Since then, Taiwan has become the second investment partner in the mainland in both the number of enterprises and the amount of investment.

In 1993, Taiwan established 11,000 enterprises in the mainland, making up 13 percent of China's total overseas-funded enterprises during the time. The contracted investment volume by Taiwan businesses reached 6.7 billion U.S. dollars, which came up to 8.4 percent of the total investment in China or 1.6 times of U.S. investment and 2.7 times of Japanese investment.

#### Commission Officially Announces Year-End Elections

OW2609083394 Taipei CNA in English 0744 GMT  
26 Sep 94

[By Lilian Wu]

[Text] Taipei, Sept. 26 (CNA)— Taiwan will hold several local elections on Dec. 3, including the first popular vote for Taiwan's governor, the Central Election Commission announced Monday [26 September].

In addition to the gubernatorial polls, voters will elect mayors for Taipei and Kaohsiung, 79 Taiwan provincial assemblymen, 52 Taipei city councilmen and 44 Kaohsiung city councilmen on Dec. 3, the election bulletin said.

Commission Chairman Huang Shih-cheng urged all candidates to run clean and fair election campaigns to ensure a more democratic society.

According to a new election law, the campaign fund ceiling for Taiwan provincial governor is NT [new Taiwan] \$104.98 million (US\$4 million), a record high.

The campaign fund ceiling for candidates competing in the Taipei and Kaohsiung mayoral polls has been set at NT\$24.84 million (US\$948,090).

The commission will start to accept candidate registration on Oct. 7-14. The gubernatorial candidates will kick off their campaigns on Nov. 8, while provincial assemblymen and city councilmen will begin campaigning on Nov. 23. All campaign activities must end on the day before the election.

#### CNP Denounces DPP for Using Violence

OW2609105894 Taipei China Broadcasting Corporation News Network in Mandarin 2300 GMT  
25 Sep 94

[From the "Hookup" program]

[Text] The China New Party [CNP] last night held a news conference to denounce the Democratic Progressive Party [DPP] for using violence at the CNP's election campaign assembly in Kaohsiung on 25 September. The CNP also denounced the police for not keeping its promise to deal according to the law with those acting against the law, and hoped the police would honor its word. The CNP spokesman said the party will return to Kaohsiung in October.

With regard to the CNP's denunciation, the Kaohsiung City Police Bureau last night said the police dealt with the incident completely according to the law, and denied any fault on the police's part. [Name indistinct] said: It had been agreed that DPP personnel and cars would not be allowed to enter the assembly site. As to how the DPP propaganda cars entered the site, the police will investigate the matter. The police dealt with the incident in a way it deals with incidents concerning a mass of people. We did not resort to using force to prevent conflicts. However, after the podium was occupied by DPP personnel, the police forced them to leave.

(Chen Fang-ming), head of the DPP's propaganda department, last night expressed regret over the serious blood-shedding conflict. He said from the beginning the DPP had closely watched the development of the situation, and had urged its party members and elected representatives not to stage any protests. He said, as far as he knew, when the conflict broke out, most of the DPP personnel and elected representatives had left the assembly site.

## Hong Kong

### Major Interviewed on Transition Issues

HK2609061094 Hong Kong HONGKONG STANDARD (HONG KONG IN TRANSITION: JOINT DECLARATION 10TH ANNIVERSARY SPECIAL) in English 26 Sep 94 pp 1, 3

[Report on written interview with UK Prime Minister John Major by the HONGKONG STANDARD; responses written during South Africa-UK flight 22-23 September; by David Healy in London]

[Text] The following is based on a list of questions from THE HONGKONG STANDARD to British Prime Minister John Major, and which he answered in writing while flying back from South Africa overnight on 22 to 23 September.

Mr Major delivered an upbeat message on Hong Kong on the 10th anniversary of the Sino-British Joint Declaration. He flatly rejected criticisms of Governor Chris Patten and singled out Sir Percy Cradock whose approach, Mr Major said, "would neither be tenable nor honourable".

Mr Major, of course, had no part in the negotiation of the agreement, but he has taken a close personal interest in Hong Kong and is in regular touch with Mr Patten. Mr Major, who is a former foreign secretary, says he has no current plans to visit Hong Kong, but he hopes to do so before 1997.

Here's how the prime minister, returning from a visit to South Africa, answered our questions.

Question: "Prime Minister, obviously you didn't have a part in creating the Sino-British agreement on Hong Kong, but you've had influence in the past three years over how it's been operated, both as foreign secretary and more significantly, with the appointment of Chris Patten as Governor. How do you assess the agreement over that time?"

Prime Minister: "When Britain and China signed the Joint Declaration 10 years ago today, we pledged ourselves to work together to make a reality of its central concepts—one country, two systems; Hong Kong people running Hong Kong; a high degree of autonomy. We need to be very clear what this means in practice. It means, for example, Hong Kong to enjoy a high degree of autonomy as a Special Administrative Region of China. The Hong Kong legislature will go on making its own laws, and Hong Kong's legal and judicial systems will be maintained. Hong Kong will be able to negotiate international economic and commercial agreements and to take part in international organisations, such as the General Agreement on Tariffs and Trade (GATT) and its successor body, the World Trade Organisation. And Hong Kong will continue to have the freedom to run its own immensely successful economic affairs. That's what

Britain and China have promised Hong Kong. The aim is to secure Hong Kong's stability and prosperity through the transition and beyond.

"It is by these criteria that we must judge the success of the transition so far. The record on both counts has been impressive.

"Stability. The past decade has seen remarkable social progress in Hong Kong. Almost unique among the world's major cities, the general level of crime in Hong Kong has fallen in the past decade. More people own their own homes and the number of young people able to take degrees in the territory has increased from 3 percent to 18 percent of the eligible age group. There have also been dramatic improvements in health care and social welfare services.

"Prosperity. In the past decade, real gross domestic product (GDP) per person has increased at an average annual rate of 6 percent. Hong Kong is now the eighth largest trading economy in the world. So, on the tests of maintaining Hong Kong's stability and prosperity, the transition so far, has been a resounding success.

"But not everything in the garden is rosy. We and our Chinese counterparts agree that the pace of work in the Joint Liaison Group (JLG) has been disappointingly slow and that we must speed it up. We have agreed to make this a priority for the last 1,000 days of the transition. We stand ready to work with our Chinese colleagues to give a new impetus to the work of the JLG, so that the many important issues on the agenda are settled quickly. This is very much in Hong Kong's interest, but it is also very much in China's interest."

Question: "You know there's been a good deal of criticism of the harm alleged to have been done to the agreement by the democracy reforms of the Governor. What's your reaction to these criticisms from Sir Percy Cradock and others?"

Prime Minister: "I have of course heard these arguments, but I find them very unconvincing. They were given a full airing before the Foreign Affairs Select Committee (FAC) earlier this year. I can do no better than to repeat the FAC's conclusions that the approach advocated by, amongst others, Sir Percy Cradock, would neither be tenable nor honourable. I think it is also important that people remember that the Governor's proposals have received solid support in Hong Kong and they have been endorsed by the Legislative Council. I think the success of the recent district board elections has been a clear demonstration that the people of Hong Kong do want to play a part in running their own community and that it is simply absurd to suggest that this amounts to a major change or political upheaval in Hong Kong."

Question: "With the meeting this month in New York between Foreign Secretary Douglas Hurd and Qian Qichen, the first for a year, are you hopeful you may see a turning point in Sino-British relations?"

Prime Minister: "Yes, I am, because I believe it is very much in everyone's interests to intensify our co-operation to ensure the success of the transition. As I said earlier, the pace of work in the JLG has been disappointingly slow. The immediate priority is to give a new impetus to this important work. For example, I signed a Memorandum of Understanding on Hong Kong's new airport with Premier Li Peng in September 1991. Although Hong Kong has got on with building the airport, we still do not have an agreement on the financial arrangements, more than three years after the understanding was signed. We must do better than this if we are to clear the JLG agenda before 1997. And clearing the JLG agenda will be vital if Hong Kong is to thrive after 1997, as it has done in the decade since the Joint Declaration was signed."

Question: "There are now just over 1,000 days to go before the transfer of Hong Kong to Chinese sovereignty, but a lot remains to be agreed. How confident are you that there's enough time?"

Prime Minister: "As you say, time is running short, but enough remains to settle all the outstanding issues, if we press ahead. I think both sides recognize the importance of doing so. The Secretary of State, Douglas Hurd, and his Chinese counterpart, Vice Premier Qian Qichen, will be discussing how we can achieve our common objective, when they meet at the United Nations in New York in a few days time."

Question: "Do you have a message for people in Hong Kong, who still entertain anxieties about the future?"

Prime Minister: "My message to the people of Hong Kong is that the British government and parliament are determined to see the full implementation of the Joint Declaration, because we believe this is the best way of ensuring Hong Kong's success after 1997. If we succeed in this endeavor, then I am sure Hong Kong's future will be as successful as its past."

Question: "Do you have any plans, even in principle, to visit Hong Kong before 1 July 1997?"

Prime Minister: "I have no such plans at present, but I would, of course, very much like to visit Hong Kong before 1997."

#### Percy Cradock Interviewed on Transition Issues

HK2609062494 Hong Kong HONGKONG STANDARD (HONG KONG IN TRANSITION: JOINT DECLARATION 10TH ANNIVERSARY SPECIAL) in English 26 Sep 94 p 2

[Report on "exclusive" interview with Sir Percy Cradock, former UK ambassador to China and "chief architect" of the Sino-British Joint Declaration on Hong Kong, by David Healy; place and date not given]

[Text] Chief architect of the Sino-British agreement Sir Percy Cradock is still proud of his construction, but he

thinks it's had some bad tenants lately. He was head of the British side of the negotiating team which put together the agreement and he is still amazed that they pulled off such a good deal from such a poor hand. But he makes no secret of his belief that Governor Chris Patten has squandered much of the benefits of the deal by pushing through his democracy package in the face of opposition from the Chinese government.

Sir Percy has made clear his views in his book on the issue and also, most recently, in an interview with THE HONGKONG STANDARD. He brings to his attack a lot of heavy guns—he was for many years the British ambassador to Beijing, and then foreign affairs adviser to Prime Minister Margaret Thatcher. He is a lifelong British diplomat and most of his serious time was spent in Hong Kong and China.

Here's his recollection of those heady days leading up to the 1984 agreement: "We had a great feeling of exhilaration that we'd achieved a very good deal in the face of big odds. We knew after our meeting with Deng in Peking in July 1984 that we were within sight of a major agreement. We knew we'd pulled off something big. We felt it was historic."

Sir Percy spelled out the odds the British side was up against. "We had virtually no cards in our hands. We desperately needed an agreement and the Chinese didn't. In 1997 the whole thing would fall into their hands anyway and they didn't need to make any promises to us, they could do what they liked."

Sir Percy, obviously relishing the moment, says: "It was a very considerable achievement in that sense. You could call it the Indian rope trick of diplomacy." But he explains it thus: "The Chinese wanted an agreement although they didn't absolutely need to have one. They felt it was in their interests. They wanted Hong Kong in working order. "They had political and economic objectives—and they had an eye on Taiwan. If they made a mess of Hong Kong, it would lessen their chances of a deal with Taiwan. And from the international point of view they wanted it to be seen they'd got a Hong Kong deal by agreement rather than by force."

On the deal Sir Percy said: "We provided for Hong Kong the best possible protection for 50 years at least. Even now, I'm amazed at the amount of prescription the Chinese allowed on territory they considered entirely their own." Looking back Sir Percy doesn't think the British side could have got any better deal. "We went right to the wire on this," he says.

And now he begins to wrinkle his brows when he considers the Patten democracy package. "I remember believing (in 1984) that we'd gone as far as we could at the time. The Chinese wouldn't have accepted any more." And now? Sir Percy says the agreement has been "the sheet anchor for Hong Kong, its safety net. But in the last two years we've put it under great strain by our unilateral action."

He doesn't hide his disappointment, to put it mildly, with British politicians. In the diplomatic language he's used in a lifetime with the British foreign service, Sir Percy says: "What puzzles me is to hear ministers taking credit for the 1984 agreement, and at the same time applauding Chris Patten, his unilateral action, and arguing that there's been no change in policy." (A diplomatic smile here). "That, to me, is a contradiction in terms. We got that agreement through with cooperation but wouldn't have got it by the kind of unilateral action that's happening now."

He said the "bad quarrel about democracy" with China had brought a predictable response from China, and the British side should have anticipated this would happen. Sir Percy said: "It will mean that Hong Kong will end up less democratic than it needs after 1997. It will have less western liberal democratic values than if Chris Patten had never been there. And it has also skewed up British relations with China in a big way and mired our chances of exploiting the vast Chinese market."

He wants a major British diplomatic effort to contain the damage that's been done to Sino-British relations: "We have to keep our lines open to Peking and co-operate over practical issues in Hong Kong." Sir Percy says of the past two years: "It's a great pity but not absolutely fatal to Hong Kong. Its economy will continue to do extremely well. Agreements on issues like the airport are still possible.

"After 1997 the Chinese will honour the Joint Declaration and the Basic Law as they see them. Hong Kong will probably become a more raffish and corrupt place after 1997. But it will still be recognisably Hong Kong, providing financial services to China that no other city can. I'm not despondent, I'm optimistic about the longer term future," said this friend of Hong Kong and architect of its future for better or worse.

#### Geoffrey Howe Interviewed on Transition Issues

HK2609062694 Hong Kong HONGKONG STANDARD (HONG KONG IN TRANSITION: JOINT DECLARATION 10TH ANNIVERSARY SPECIAL) in English 26 Sep 94 p 4

[Report on "exclusive" interview with former UK Foreign Secretary Geoffrey Howe by David Healy; place and date not given]

[Text] The man who was Britain's foreign secretary at the time of the signing of the Joint Declaration has no doubts about the document's overarching importance for Hong Kong. "It has been an absolute sheet-anchor for the future of Hong Kong," Lord Howe said in an interview in which he recalled the signing of the Sino-British agreement 10 years ago and the progress made since then.

He said without it, Beijing would have gone ahead and acted unilaterally to determine the whole future of Hong Kong. Instead, "the period has been characterized by a

search for continuity and stability. We knew what our objectives were and a large amount of them were put into the agreement and within the Basic Law which has provided a framework for the continuity". "Of course there have been areas of controversy, but the guts of it have been translated into something that's part of the Chinese constitution."

But at the same time Lord Howe—formerly Sir Geoffrey Howe—said he "regretted" the breakdown in relations between Britain and China since Governor Chris Patten announced his democratic reforms. And he issued "a plea to China" not to unravel institutions put in place as a result of the Legislative Council [Legco] vote on the Patten package.

Looking back 10 years, Lord Howe said British negotiators got virtually all the "attainable" objectives they set themselves in the talks leading up to the agreement. Their aim had been "to do everything we possibly could from a position of relatively huge weakness". "Contemplate the cards we had in our hand and the scale of the participants: almost a quarter of the human race and the world's largest communist society on the one side, with representatives of a European power at the limit of our geographical reach at the other. "But we had the immense asset of the tremendous achievements of Hong Kong itself, a Ming vase, a prize of such value that both parties wanted to achieve continuity. That's entirely to the credit of Hong Kong," Lord Howe said. He said the British-Chinese combination that had come together here had produced one of the world's economic success stories, "and that its success has been maintained on a tremendous scale, almost regardless of the political developments and of the very real anxieties of Hong Kong people... before and after Tiananmen".

Returning to the negotiations for the 1984 agreement, Lord Howe said: "I don't think there were any attainable aims which we failed to achieve. One thing we would like to have done more on was defining more clearly and with greater limitation the role of the PLA [People's Liberation Army] and the allocation of military bases. But if you consider how long it's taken to reach agreement on the defence lands, I think it's right to say it wasn't attainable."

He said he would also like to have seen the establishment of a final Court of Appeal to replace the appeals to the Privy Council. But this, too, "then and now, proved unattainable". Understandably, Lord Howe said, the Chinese side saw the Privy Council as a continuation of British sovereignty. In fact the British negotiators had suggested continuing British administration but the Chinese, again "understandably", refused to separate sovereignty and administration.

It was Tiananmen Square, Lord Howe said, that most severely tested the Joint Declaration. "For a time it caused people in Hong Kong to feel full of despair and to wonder if what we had achieved was of any value. I was in Hong Kong just after Tiananmen Square and I said

then that the Joint Declaration was for bad times as well as good, and it has survived in essence." He believes the natural sympathy that many here felt for the democracy movement in China at the time of the crackdown may still exist, but not their wish to use Hong Kong as a bridgehead for change in China. He now feels that it is accepted here that the one-country, two systems strategy means both sides have the right to be separate from each other.

Lord Howe picked his way carefully over developments since the appointment of Governor Chris Patten. "The events of the past two to three years have introduced a new factor into the relationship, with the debate turning on how far it makes sense to the pace of democratization beyond that agreed between Douglas Hurd and Qian Qichen. It isn't really for me to comment on that because I haven't been responsible, and I've deliberately avoided commenting on what has been done."

But he did say: "One of the most important provisions in the declaration is that throughout the years it covered, two sovereign powers would co-operate. I was saddened by the fact that, for whatever reason, that pattern of proceeding by agreement has not prevailed in every respect. If that concept of proceeding only by agreement had been maintained, it's much much less likely the Chinese would have sought to dismantle anything put in place as a result of the agreement. It would have made less likely Chinese repudiation of any of its components." But, he said: "The changes having been made, I would make a plea to the Chinese not to dismantle or interfere with what has been put in place by Legco. I ask them to treat with respect a growing, living plant." Damage which has been done by the dispute over the past two years to the political relationship between Britain and China could not be entirely repaired. "But human life and international life consist of bilateral relationships which fluctuate from time to time and it's always possible to put them together in working order, provided both sides strive to achieve that. Both we and China are very pragmatic."

Lord Howe said Mr Patten still had "a very important and difficult job to do". "My impression is that Chris Patten continues to command the support and respect of the people of Hong Kong. He has certainly applied himself to the task with immense energy and real determination."

Turning to the future, Lord Howe said the economic achievements of Hong Kong "shame the rest of the world. The practical achievements dwarf the political requirements and I hope they can be maintained through and after 1997".

**PRC, UK Now See JLG as 'Virtually Defunct'**  
HK2609075094 Hong Kong EASTERN EXPRESS in English 26 Sep 94 p 1

[By Mary Binks]

[Text] China has ended cooperation over key 1997 issues and Britain is prepared to take unilateral action in an attempt to minimise upheaval during the transfer of sovereignty. Sources on both sides have conceded that differences on outstanding issues concerning the transition are now irreconcilable.

Last night the Governor, Chris Patten, hinted for the first time that further negotiations with China may be a waste of time. "We have to weigh whether we are likely to get further in Hong Kong's interests by continuing to wrangle at the table, or whether there are other ways of proceeding," he told Cable TV News.

Ironically, the revelations over the breakdown of Sino-British co-operation coincide with today's 10th anniversary of the 1984 signing of the Joint Declaration—the treaty in which the two sides determined the conditions under which Hong Kong would be handed back to China. The declaration set up the Sino-British Joint Liaison Group (JLG), the conduit through which the two sides could ease the transfer of power.

After last week's failed JLG talks in Beijing, both sides believe that the JLG has become virtually defunct. This means there will be no cooperation on the court of final appeal to replace the functions of the Privy Council in 1997, and China will not allow Britain's proposed pension fund to straddle the handover. It will also throw into doubt the construction of the much-needed ninth container terminal; leave Hong Kong without many extradition treaties which lapse in 1997; mean no co-operation on which senior civil servants will be allowed to ride the "through-train" beyond the transition, and; leave the territory without the protection of many British laws.

"(The Chinese) have made it very clear they have no interest in co-operating on any of these issues," one source said. "They have decided they will make their own decisions once they regain sovereignty." The only issue expected to be resolved is the funding strategy for the Chek Lap Kok airport, although that too has been hindered by the political reform row. Sources said this was the only issue on which China saw co-operation with Britain in the transitional period as necessary.

Britain is now faced with the prospect of unilaterally setting up the court of final appeal, localising laws to conform with the Basic Law—Hong Kong's post-1997 miniconstitution—and drafting new laws to replace those that lapse after the changeover.

Earlier this year Britain angered China by implementing arrangements for the 1994-95 elections after the collapse of Sino-British co-operation on political reform. China reacted by deciding to disband the three tiers of government in Hong Kong in 1997. Now China has decided it will make its own decisions after 1997 on the host of issues left unresolved by the JLG and is likely to scrap any changes made by Britain that it did not agree to.

Sources said JLG progress had now become impossible on even the less-complicated issues as Chinese negotiators had made it obvious China did not even want to discuss the topics Britain considered urgent. This was despite Chinese negotiators agreeing, as they entered the three days of talks, that progress needed to be accelerated. They did not respond to a document handed to them by British negotiators on the first day of talks, outlining detailed proposals on how this could be achieved.

The senior British JLG negotiator, Hugh Davies, became so frustrated with the stonewalling used by his Chinese counterparts and allegations that Britain was deliberately thwarting co-operation that he later accused the senior Chinese negotiator, Guo Fengmin, of "kicking dust in our faces".

Sino-British JLG negotiators are due to meet again in London in December but little progress is expected.

The collapse of co-operation also comes as Britain's Foreign Secretary, Douglas Hurd, prepares to meet his Chinese counterpart, Qian Qichen, on Thursday on the sidelines of the United Nations general assembly in New York.

#### Pro-Beijing Paper on Britain's Liaison Work

HK2609035094 *Hong Kong TA KUNG PAO* in Chinese  
24 Sep 94 p 2

[Editorial: "The British Side Is Slowing Down the Work of the Joint Liaison Group"]

[Text] The 30th round of the Sino-British Joint Liaison Group [JLG] meeting has just concluded in Beijing. The meeting's press communique only explains the 10 issues being discussed by both sides. Some progress was made in their discussions on some international treaties, but other topics have remained unsettled. This kind of progress is disappointing.

The year 1997 is approaching, and the JLG must, in the remaining eight to nine meetings before 1 July 1997, properly handle all matters involving a smooth transfer of power. It is imperative for both sides to adopt a sincere and cooperative attitude.

As everyone is aware, after Chris Patten assumed the post of Hong Kong governor in 1992, he introduced a "three violations" program on the question of the constitutional structure, thus seriously undermining Sino-British cooperation and hampering the work of the JLG. In the period of a little more than a year from the 24th round of the JLG meeting in September 1992 to the 28th round of the JLG meeting in December 1993, discussions repeatedly got hung up on haggling over old issues. Particularly at the 25th round of the JLG meeting, the British side insisted on discussing Chris Patten's "three violations" constitutional reform package and also created obstacles to the settlement of some questions, thus suspending JLG work for six months.

During this period, despite both sides' relations being at a low ebb, the Chinese side, out of consideration for the Hong Kong people's interests, took a series of positive measures, including agreeing with granting three franchises, which enabled the Land Commission to approve the use of land as usual, and reaching an agreement on the tunnel franchise in the Western District in order to express its sincerity and desire for a breakthrough in the deadlock to speed up JLG work. As a result, both sides reached an agreement on military sites at the 29th round of the JLG meeting—an issue which had been under discussion for seven years—making the meeting the most fruitful in the last two years. Unfortunately, the British side resorted to its old approach again, only paying lip service to cooperation but being uncooperative in its deeds. It continued to create obstacles apart from not taking a positive approach to promote JLG work. For example, being well aware of the Chinese side's explicit stand on the operational rights of Container Terminal No. 9, the British side, without changing its original stand, insisted on holding talks. When talks were not possible, the British side blamed the Chinese side. If this behavior continues, it will unquestionably affect the atmosphere of the talks and could even block the communication channel established according to the Sino-British Joint Declaration.

British Foreign Secretary Douglas Hurd, who will meet Chinese Foreign Minister Qian Qichen in New York, openly indicated during a visit to Hong Kong early this month that he would discuss the matter of speeding up the work of the JLG with the Chinese side. When later meeting privately with legislative councillors, however, he admitted the JLG might not be able to complete the necessary work before 1997. Judging from this lack of conformity between words and deeds, can we say the British side is sincere about cooperating?

Since the JLG meeting has not proceeded ideally, there is a need to work out methods to remove the obstacles. It would be better to discuss the matters relating to the smooth transfer of power in 1997 in accordance with Annex II of the Joint Declaration, rather than waste our time on old issues which cannot be resolved for the time being.

We are now in the latter half of the transitional period. By virtue of the Joint Declaration arrangements for the JLG examination of various matters, the Chinese and British sides must cooperate more closely in the latter half of the transitional period, during which matters for consideration include: First, measures to be adopted for a smooth transition toward 1997; second, action to assist the Hong Kong Special Administrative Region [SAR] to maintain and develop economic and cultural relations and conclude agreements on these matters with states, regions, and the relevant international organizations. At the just-concluded meeting, the Chinese side proposed to the British side that both sides should focus on examining issues directly related to the power transfer in 1997, such as the transfer of government revenue, government institutions, and government files. But the

British side responded coldly and resorted to a "stalling tactic," saying that the JLG still had many urgent matters to resolve. An executive councillor even put it more blatantly: Now is not the proper time to submit information on Hong Kong Government revenue, institutions, or files to the Chinese side; we have to wait until the establishment of the SAR Preparatory Committee in 1996.

This is connected to the British Hong Kong Government's attitude on the Preliminary Work Committee [PWC], which is typified by its prohibition of public servants contacting the PWC to explain Hong Kong Government policies contrasted with its ready willingness to treat the PWC as an ordinary organization when the Hong Kong Government requires information from it. What does all this imply? Is it not very clear?

Bringing about Hong Kong's smooth transfer of power and steady transition is the British side's responsibility. Problems have piled up like a mountain at the JLG due to the British side's uncooperative attitude. When the PWC proceeded with its work and collected some Hong Kong people's opinions in a legal manner, the British Hong Kong authorities strongly opposed this and wantonly played down the PWC's trustworthiness in public. In this case, we have no choice but to say that the British side is creating new obstacles to Hong Kong's steady transition.

**Governor Stresses 'Shared Interest' of UK, China**  
HK2609072094 *Hong Kong RTHK Radio Four in English 0500 GMT 26 Sep 94*

[From the "News at One" program; passages within quotation marks recorded]

[Text] Governor Chris Patten has warned that both China and Britain will suffer if the two countries don't clear the backlog of work in the Joint Liaison Group. Speaking on the 10th anniversary of the initialing of the Joint Declaration, Mr Patten said both countries have substantial interests in the territory.

[Patten] Britain has huge financial investments here in Hong Kong. There are many people here with British passports, so Britain must want Hong Kong to be... [changes thought] to continue to succeed. But if we don't get through some of the backlog of work which has piled up in the Joint Liaison Group, it will be principally the SAR Government and China which will, alas, suffer. So we have a shared interest in ensuring that that doesn't happen, and the more we can talk about that shared interest, the more we can try to work to secure that shared interest the better.

Mr. Patten was asked what Britain would do to ensure a smooth transition.

[Patten] Well, I think you want to ask two questions: First, what will the Chinese side do? Secondly, what will the British side do? We will be saying what we think

should be done when Mr. Hurd meets Vice Premier Qian Qichen, and I hope, Vice Premier Qian Qichen will be saying, from his part, what China intends to do. I will be setting out some of our thoughts on the subject when I address the Legislative Council, but it's a question, you know, if you're going to be fair, for both sides.

Mr. Patten also said Britain hoped to tackle as many problems as possible in a cooperative way before the handover in 1997 and this, he said, would be a message that the British Foreign Secretary Douglas Hurd would bring to the Chinese Foreign Minister Qian Qichen in their meeting in New York later this week. Mr. Patten also looked back on the past 10 years since the Joint Declaration was initialed in 1984.

[Patten] I think that, if we look back on the past 10 years, whatever the difficulties, we have succeeded in ensuring that Hong Kong has more confidence, more prosperity, and more stability. Our economy has pretty well doubled in the last 10 years. We've seen huge advances in social provision, in education, in housing, and so on. But there are difficulties and problems. Nobody should be particularly surprised by that. What we've got to do is to try to solve them in as cooperative a way as possible. We won't be able to agree all the time. But we've got to agree as much of the time as we can. I think that's the message which Foreign Minister Douglas Hurd [title as heard] will be taking to New York this week.

**UK Official Attacks China's 'Constant Stonewalling'**

HK2409070994 *Hong Kong EASTERN EXPRESS in English 24 Sep 94 p 2*

[By Rain Ren in Beijing and Sally Blyth, political correspondent]

[Text] Britain's most senior negotiator on the 1997 handover yesterday broke protocol to deliver a stinging counter-attack to China's allegations that Britain was deliberately thwarting Sino-British cooperation.

In an impromptu news conference outside the gates of the British embassy in Beijing, Hugh Davies virtually accused his Chinese counterpart, Guo Fengmin, of lying.

"(Guo) is kicking up a little bit of dust in our faces to disguise the delays on other fronts," he said.

It is understood that Davies, known to prefer quiet behind-the-scenes diplomacy, had been infuriated by remarks made by Guo on Thursday, at the end of this week's fruitless Joint Liaison Group (JLG) meeting, and was deeply frustrated by China's constant stonewalling on crucial transitional issues.

Guo had accused the British of dragging their feet in negotiations and ignoring repeated requests by the Chinese for information on HongKong's finances, archives and civil service structure.

The acrimonious exchanges between the two top negotiators fly in the face of constant appeals by Britain for the dispute over political reform to be put aside so that progress can be made on transitional arrangements.

Yesterday, British diplomats said they believed China was trying to create a smokescreen to deflect publicity over its failure to resolve the "real issues", such as agreement on the territory's ninth container terminal (CT9), the court of final appeal and the sewage disposal project. Davies indicated that meeting some of China's requests would encroach on Britain's sovereignty over Hong Kong.

It was "out of the question" that Britain provide advance information on Government finances because "we are now responsible for the administration of Hong Kong". It was also difficult to provide information on senior civil servants.

"One has to draw a line between certain information on individual people and general information," Davies said. "I'm sure you wouldn't like your personal file to be passed over to somebody outside your organisation."

Davies said Britain would only provide information it considered appropriate at "an appropriate time".

"You have to remember that with some aspects of the administration of the Hong Kong government, because we was responsible until 1997, it may not be appropriate to provide that information immediately," he said.

Davies said China had first requested information on the Hong Kong government budget and civil service structure in the JLG session in June. China had "never once" raised the matter of Government archives with him.

"In another words, (China is saying that) just because they have produced some new ideas at the last two JLG (meetings), we should deal with them at the top," he said.

"There are a lot of things that need to be done now and would have best been dealt with before now."

"We have not yet been given details on what the Chinese want on some matters, so it is far from true to say that we have been delaying a response."

#### PWC Member Sets Out Conditions for Cooperation

*HK2609062894 Hong Kong HONGKONG STANDARD (HONG KONG IN TRANSITION: JOINT DECLARATION 10TH ANNIVERSARY SPECIAL) in English 26 Sep 94 pp 4, 5*

[Article by David Chu, member of the Preliminary Working Committee (PWC) for the Preparatory Committee for the Hong Kong Special Administrative Region: "Five Golden Rules for a Glittering Future"]

[Text] A decade ago, two nations initialled the Joint Declaration to secure the future of a territory that had united and yet also divided them for more than a

century. The accord not only attested to the patience of two years of earnest negotiations but also mutual sincerity. The goodwill engendered then seems to have turned sour and the fault for it is less that of Britain or China, than simply the passage of a long time and altered circumstances in both countries and their ward—Hong Kong.

There is no point ruing what might have been. Actions undertaken cannot be undone and words spoken cannot be unsaid. Since September 1984, the two countries have seen a change of government and also attitude towards each other. Hong Kong, too, has transformed as executive power is devolved, autonomy is extended to public corporations, the voting age is lowered and the franchise expanded at a quickened pace than conceived in the Joint Declaration. A political quiescent population or at least a portion of it, has been stirred. The false impression has been given that once the British retreat, there would be a vacuum of authority waiting to be filled.

When the British decided unilaterally not to co-operate with China on the territory, they effectively derailed the "through train" which they themselves broached. Last month, the National People's Congress (NPC) reacted by unanimously passing a resolution to abolish the three tiers of elected office effectively on 1 July, 1997. Even the most self-deluding politicians in the colony now realise that China intends to discharge its Joint Declaration obligations to the territory through the Basic Law with or without British help.

The NPC's irrevocable decision ended round one of the contest and round two has now begun, in a bout that is no longer about trust but about cash transactions and practical considerations. China is likely to practise quid pro quo, which is that it would answer each positive deed by Hong Kong's colonial administration with a reciprocal gesture and likewise reply in kind to each provocation. The government here can still exercise some meaningful authority and conduct sensible business with China if it fulfils five conditions.

The first is that it must manage economic growth in such a way as not to cause great fluctuations. Tinkering with the Hong Kong-American dollar linked rate and unnecessary tampering with the structure, policy and practice of financial institutions would be wrong. Any temptation to deviate from prudent fiscal tradition has to be resisted.

The second is that it must not alter the executive nature of governance, introduce politics into the Executive Council and revamp what has been a working arrangement.

The third is that it must refrain from changing laws to subvert authority and compromise administrative efficiency and effectiveness.

The fourth is that it must cooperate with the Preliminary Working Committee and its succeeding Preparatory Committee by forwarding relevant information and appropriate support.

The fifth is that the government must desist from ploys to split the public and pit people against not just the future Special Administrative Region but also each other. An example of this is the Old Age Pension Scheme which is raising the hopes of the elderly, risking the future fiscal solvency of Hong Kong and worrying the younger taxpayers, even though such a fund cannot be introduced until 1997 when this government ceases to be.

#### Patten To Decide on CT9 Issue

HK2609060094 Hong Kong *SOUTH CHINA MORNING POST* in English 26 Sep 94 p 6

[By Chris Yeung]

[Text] Governor Chris Patten and his top aides are to make a final decision on the fate of the troubled Container Terminal 9 project in the next few weeks in the face of clear Chinese opposition to the participation of Jardines.

Negotiators with the British team on the Joint Liaison Group (JLG), who attended last week's session in Beijing, are due to report on their assessment of the Chinese stance at an Executive Council meeting tomorrow. "Certainly we will have to sit down and decide what to do next in the next few weeks. It's clear from the JLG meeting that the Chinese are not going to budge. "We have to start thinking seriously and start working on the CT10 and CT11," a senior government source said. The source said, however, that the Government would still push for a Chinese blessing, but on the other hand be realistic on the prospects of an early deal. Another source close to the JLG talks admitted that the British team was deeply frustrated by the lack of any clear indications from the Chinese side on what it actually wanted on the CT9 plan. "It is a restatement of the Hong Kong China News Agency statement. There is no mention of Jardines," the source said.

The Chinese news agency said in a commentary that firms which had no commitment to the future of the territory, apparently referring to Jardines, should not be given major contracts for projects that straddle 1997. The source said, however, the Chinese side had never specifically indicated that the Jardine Matheson Group should pull out from the consortium if the CT9 project was to be kept afloat. Nor did it demand at the JLG meeting a public tendering of the contracts.

The government source said there was no plan to put the project out to public tender, adding the administration stuck to its decision to grant the project on the basis of a private treaty. "We have explained our case carefully. We have a good and competitive consortium. It has just run into political opposition," he said. But the source added that it would be "foolish to make a decision" before British Foreign Secretary Douglas Hurd met Chinese Vice-Premier Qian Qichen in New York this week.

The CT9 project has already been delayed for more than 18 months, with the total economic loss put at \$20 billion. Construction will be completed only by 1997 even if a go-ahead is given now.

#### PRC To Affirm International Arbitration Center

HK2609054594 Hong Kong *SOUTH CHINA MORNING POST (BUSINESS POST)* in English 26 Sep 94 p 1

[By Christine Chan]

[Text] Mainland authorities have resolved Hong Kong's legal status as an arbitration centre after its 1997 return to China in a bid to ease concern among the territory's legal profession. The resolution comes in the form of China's newly promulgated arbitration law, designed to replace existing fragmented regulations, when it takes effect on September 1 next year.

Uncertainty over Hong Kong's legal status after the 1997 sovereignty change has led domestic and international firms to begin looking for other bases. Presently, arbitration in China involving Hong Kong companies is considered foreign-related, while arbitration in Hong Kong between any two parties is considered an international dispute.

Terence Tung, a solicitor with law firm Johnson Stokes and Master, said that under China's new law, all arbitral awards or decisions, whether foreign-related or non-foreign-related, must be enforced through the People's Court. The grouping of cases into foreign-related or non-foreign-related was simple and clear-cut, he said. Mr Tung said the move had saved the need of addition to the law for Hong Kong following the sovereignty change, and averted disputes that might arise from different interpretations between China and Hong Kong. The new classification effectively, albeit subtly, covered the only two possibilities for enforcing arbitration decisions in Hong Kong after 1997 without touching on the sovereignty change, he said.

Before the law's promulgation on August 31, enforcement of Hong Kong arbitral decisions after 1997 had been a legal vacuum, causing a drop in the numbers of multi-national firms choosing Hong Kong as an arbitration centre. Mr Tung said that after 1997, Hong Kong would no longer be international because it would not form part of Britain, through which it adopted the New York Convention for the enforcement of international arbitral awards. Arguably, arbitration in Hong Kong would not be foreign-related either, owing to the change of sovereignty. Figures given by the Hong Kong International Arbitration Centre showed that the centre handled 139 cases last year, down 25 per cent from 1992 when it handled 185 cases. In 1991, the centre handled 94 cases. Mr Tung expects the mainland law change will restore Hong Kong's popularity as an international arbitration centre.

Arbitration, the judging of disputes by independent parties whose decisions both sides agree to accept, is more acceptable in international business circles than resolution of civil disputes by court proceedings.

Welcoming China's moves, Mr Tung said the mainland arbitration law was comprehensive and would bring it closer to Western economies in settling disputes. "The law sets out the arbitration procedures in great detail. It also gives the constituency of arbitration tribunals, allowing foreigners to act as arbitrators," he said. "Language is a very important element in carrying out a fair and efficient arbitration procedure." Another advantage of the new law was the principle of minimising court intervention, achieving a more independent tribunal, he said.

Under the present system, foreign-related disputes can be settled through China International Economic and Trade Arbitration Commission (CIETAC), the decision of which can be enforced both in China and Hong Kong and in the other countries which participate in the New York Convention. Hong Kong arbitral awards similarly can be enforced in China through the New York Convention. Last year, CIETAC dealt with 504 cases, an increase of 88 percent over 1992.

**Forum Says Vagueness of Declaration Problematic**  
HK2609070094 Hong Kong HONGKONG STANDARD  
in English 26 Sep 94 p 4

[By Bonnie Chiu]

[Text] In retrospect the 10-year-old Joint Declaration is not well written and is partly to blame for the current British and Chinese feud. This was the appraisal of speakers in a public debate held under the auspices of Radio Television Hong Kong (RTHK). The weekly City Forum yesterday examined the British and Chinese accord that was initialled 10 years ago today.

Liberal Party legislator Allen Lee said both the Joint Declaration, and its progeny the Basic Law, had left vague or ambiguous areas for both signatories to interpret to suit themselves. "Certain issues such as whether the Legislative Council should be elected and how elections should be conducted were not considered thoroughly at the time and... that accounts for some of the differences (between the two sides) today," Mr Lee said.

Deputy editor-in-chief of the periodical CONTEMPORARY MONTHLY [TANGTAI] Johnny Lau, said the lack of clarity and precision in the Joint Declaration was by design. He accused China of wanting to leave aspects of the document vague so as to interpret these clauses to serve its own interest. "As a small charter for Hong Kong, the declaration can be accepted, but its grey areas were used by Governor Chris Patten to propose his political reform which caused the dispute," Mr Lau said.

A member of the political sub-group of the Preliminary Working Committee (PWC) for the Hong Kong Special

Administrative Region, Dr Raymond Wu, admitted there were some unclear parts in the document. He nevertheless emphasised that the power to interpret the Joint Declaration was with China.

Chairman of the Legislative Council constitutional affairs panel, Andrew Wong, pointed out that both sides did not trust each other when they signed the pact 10 years ago.

United Democrat legislator Dr Huang Chen-ya suggested that the Chinese government should open up half the membership of the PWC and all local deputies to China's National People's Congress (NPC) to direct elections, which would comply with the high degree of autonomy promised to Hong Kong.

All the City Forum speakers believed the people should express their opinions to both the Chinese and British governments. Mr Lau also advised the Chinese authorities to reach an agreement with the British quickly on practical issues-such as Container Terminal Nine.

### Reportage on Plane Crash at Kai Tak Airport

#### Plane Crashes on Return From Hanoi

HK2309130194 Hong Kong Television Broadcasts Limited in English 2000 GMT 23 Sep 94

[From the "News at 8:00" program]

[Text] Good evening. We start tonight with some late-breaking news:

A plane has crashed on landing at Kai Tak Airport. A cargo plane overshot the runway at quarter past seven this evening. It slid into the Kowloon Bay typhoon shelter. It was the Hercules transport plane which had earlier been involved in the fourth repatriation of 33 Vietnamese to Hanoi. It had 56 security officers on board who were escorting the returnees. [Hong Kong AFP in English at 1222 GMT on 23 September notes TVB's report of 56 on board, but cites the Hong Kong Government Information Service as saying that those on board number 12.] Earlier reports say that nine of them have been rescued and sent to hospital.

The rescue work is still going on here and the picture you see now is of the airport at night.

Visibility was said to have been good on landing.

And we'll bring you more details later in the program.

#### Four Said Seriously Injured

HK2309130994 Hong Kong Television Broadcasts Limited in English 1200 GMT 23 Sep 94

[From "News at 8:00" program: Report by correspondent Linda Lee—live]

[Text] We have an update now on this evening's crash of a Hercules transport plane at Kai Tak Airport. Here's Linda Lee, who's standing by at the scene. Linda.

[Lee] Thank you. Behind me is the Kai Tak Airport, and as we can see from here, ambulances and rescue workers are already at the scene. Altogether, 21 ambulances and two fireboats have been deployed.

It's been confirmed that the Hercules transport plane was carrying officers from the Correctional Services and the Royal Hong Kong Police Force. They've just returned from Hanoi, after sending 33 Vietnamese boat people.

It appears that the plane has skidded off the runway and entered the Kowloon Bay Typhoon Shelter. Reports say seven have been taken out of the plane and rushed to the hospital, and four are said to be seriously injured. There was light rain, but the visibility was said to be good at the time of the accident.

As you can see, rescue operations are still continuing, and we'll keep you updated as we get more information. Now back to the news studio.

### Five Missing

HK2309135594 Hong Kong AFP in English 1321 GMT  
23 Sep 94

[By Robert MacPherson]

[Excerpts] Hong Kong, Sept 23 (AFP)—A transport aircraft slid off the runway at Kai Tak airport Friday and plunged into Hong Kong harbour, and five of the 12 people onboard were reported missing, officials said. Traffic at one of the world's busiest airports was suspended after the four-engine Hercules, which had earlier been used to forcibly repatriate 33 Vietnamese boat people, skidded off the runway.

The Government Information Service (GIS) said the aircraft plunged into a typhoon shelter as it was taking off at 7:14 p.m. (1114 GMT) after dropping off government personnel who had carried out the repatriation.

More than 90 minutes after the crash, emergency vehicles were seen converging halfway down the runway, and floodlights pierced the darkness as search efforts continued under moderate rain. "The airport is now closed due to an obstruction on the runway," said a notice on an electric signboard at the terminal as crowds began to build up at the departure and immigration gates.

A GIS spokesman said seven people had been recovered from the aircraft and had been sent to hospital. Hong Kong television reported that a diving team had been sent to look for the other five onboard. [passage omitted]

The accident occurred only 10 months after a China Airlines Boeing 747-400 skidded off runway and ended

up half submerged in the murky waters of Victoria harbour. Miraculously none of the nearly 300 people aboard was killed.

The crash crowned a public-relations nightmare for the Hong Kong government in its attempt to reduce the numbers of 26,000 Vietnamese boat people camped on its soil. [passage omitted]

### More on Plane Crash

HK2309140694 Hong Kong AFP in English 1341 GMT  
23 Sep 94

[Text] Hong Kong, Sept 23 (AFP)—One crew member was killed and five others were missing Friday after a Hercules transport aircraft crashed at Hong Kong airport after flying Vietnamese migrants to Hanoi, a government spokesman said. Six other people aboard the transport were taken to hospital, the spokesman, Mak Kwok-wah, said.

An AFP reporter saw police boats with flashing blue lights in Hong Kong harbour at the location where the four-engine propeller-driven aircraft had slipped off the runway and plunged into the water. Local television reported that divers were searching for the missing. The airport, one of the world's busiest, was reopened about two hours after the crash.

The Indonesian-registered aircraft, hired from a British air charter company called Heavy Lift, had been heading back to Jakarta with 12 flying personnel and technicians after taking part in a controversial mission to forcibly repatriate 66 Vietnamese boat people from Hong Kong detention camps.

The nationalities of those on board were not immediately known.

### Further on Crash

HK2309144194 Hong Kong AFP in English 1424 GMT  
23 Sep 94

[By Robert MacPherson]

[Excerpt] Hong Kong, Sept 23 (AFP)—One crew member was killed, six were injured and five others missing late Friday after a large transport aircraft slid off the runway at Kai Tak airport and plunged into the harbour, officials said. The Indonesian-registered Hercules, used earlier to forcibly repatriate Vietnamese boat people to Hanoi, crashed into the waters of a typhoon shelter in the harbour as it was taking off for Jakarta, government spokesman Mak Kwok-wah said.

A Government Information Service (GIS) dispatch said the fatality was a 34-year-old Indonesian, but did not state his name. He was dead on arrival at Queen Elizabeth hospital. The nationalities of the injured and missing could not be immediately confirmed.

The aircraft, hired from a British air charter company called Heavy Lift, had been heading back to Jakarta with 12 personnel after taking part in a controversial mission to forcibly repatriate 66 Vietnamese boat people from Hong Kong detention camps since Thursday.

Operations at Kai Tak resumed about two hours after the crash even as emergency work continued off the spot where the four-engine aircraft lay submerged in Victoria harbour. The GIS said divers of the marine and fire services department were taking part in the search for the missing five. Police boats with flashing blue lights were visible on the water at the accident site. [passage omitted]

#### Nationalities of Crew Confirmed

HK2309152594 Hong Kong Television Broadcasts Limited in English 1430 GMT 23 Sep 94

[Correspondent Linda Lee report; from unscheduled "News Flash"—live]

[Text] The rain has stopped, and from here we can see that the fire trucks and ambulances that were there earlier have already left the scene. Flights in and out of Kai Tak resumed normal about an hour ago. It was closed for two hours between 1715 and 2115 tonight because of the accident. The plane is believed to have sunk. The police is using helicopters, rubber dinghies, and has sent divers down to search for the five missing crew members, among them the captain and an engineer.

The accident so far has caused one death and six injuries. They have been sent to the Queen Elizabeth and Tong Wah Hospitals. One victim is said to be in poor condition, and five are still under observation. Most have them have suffered injuries to the head and neck.

A government spokesman confirmed the plane had just returned from Hanoi, after the forced repatriation of 33 Vietnamese boat people this morning. They had just dropped off the officers from the Correctional Services and police force. The 12 crew members—some of them Indonesian and some Filipinos—were about to take off to Jakarta when the plane skidded off the runway and into the Kowloon Bay typhoon shelter.

London operators of the plane say the aircraft is 12 years old, and they've never had any problems with it before. The company director is flying into Hong Kong, and an investigation team is on its way to Hong Kong from Indonesia.

#### Reportage on Vietnamese Boat People at High Island

##### Claim Brutality

HK2209091294 Hong Kong EASTERN EXPRESS in English 22 Sep 94 p 1

[By Rachel Clarke]

[Text] Allegations of brutality against Vietnamese boat people mounted yesterday after the raid on High Island detention centre. Sixty-one people have filed complaints saying they were assaulted by police and prison officers during the two-day operation in which police and prison guards in riot gear stormed the camp to remove 21 people for deportation. On Tuesday, only six complaints of assault had been received. A government spokeswoman said last night that 225 boat people had asked for medical treatment. Of these, 139 had visible injuries.

Last night, sources with access to High Island said that camp inmates had complained that six people who had obstructed the police and prison officers on Tuesday had been taken aside and beaten. The Vietnamese at High Island were also the victims of the controversial raid on the Whitehead detention centre on April 7. During that operation, more than 500 rounds of teargas were fired and 330 Vietnamese were injured. An independent inquiry made recommendations to try to stop similar incidents happening again. The chairman of Refugee Concern, Tony Leung, described the High Island operation as a repeat of the Whitehead raid.

People who visited High Island yesterday said the Vietnamese showed them bruises on their backs caused by batons. One source said the boat people were outraged because it was one of the camp's senior officers who instigated the violence when he started throwing punches. "They watched the CSD (Correctional Services Department) beat the boat people, these included a senior officer," he said. "Many people saw him beat the heads of the boat people with a baton."

Another source said: "They [the Vietnamese] told us that when they were hit they showed the guards their weals and said: 'Do it again, does that make you happy?' "They offered no resistance, but they are so angry, next time they will go to war. "If the Government chooses to pick on these people again, God help us." Two men who slashed themselves with sharp objects when CSD officers swarmed onto a hut roof to end their protest were still in the hospital yesterday, as was another man injured in the operation.

The deputy secretary for security, Ken Woodhouse, praised the CSD and the police on Tuesday for the way they handled the operation. "We have done everything in our power to try to ensure there was no trouble," he said. "It was certainly our desire for this operation to take place in as peaceable way as possible." The operation was part of what the Government calls its orderly return programme to forcibly repatriate boat people who have failed to win refugee status.

A report on the raid by four independent monitors, due to be completed yesterday, has been delayed. One of the monitors, Adam Voysey of Christian Action, said the report was taking longer to compile than anticipated because it was the first of its kind and the operation had taken two days not one. He said the monitors, appointed following the Whitehead inquiry, were exhausted. "It

was not a pleasant experience to go through and that is just from being an observer," he said. "I can't begin to imagine what it was like for the police who had to follow orders or the Vietnamese who were involved."

### More on Alleged Assaults

HK2309063794 Hong Kong EASTERN EXPRESS in English 23 Sep 94 p 1

[By Rachel Clarke and Tom Iggulden]

[Text] The number of alleged assaults on Vietnamese boat people during the forced repatriation operation at High Island detention centre has risen to more than 200. Immediately after the operation on Tuesday [20 September] the figure stood at six. It rose to 61 on Wednesday, and by last night the authorities had received 202 complaints of assault. The number of confirmed injuries is now 283.

The senior government official in charge of the operation admitted yesterday that he had no idea about the increase in the number of alleged assaults during the two-day confrontation between police and prison officers and the Vietnamese. When the deputy secretary for security, Ken Woodhouse, was questioned about the assault charges yesterday morning, he said he still thought there were only six.

When he was told the number had risen to 61, he said: "I beg your pardon? Were there? (You have) better information than I have.

"I've been out of touch ... but on Tuesday, that's what the case was." Woodhouse was on holiday on Wednesday. He pledged that all the complaints would be studied by a criminal investigation team.

Speaking after a forced repatriation flight left Hong Kong yesterday, Woodhouse said the operation at High Island had been carried out properly. "We have nothing to be ashamed of, we have nothing to hide," he said. "We were genuinely doing our best to try and ensure that the operation was completed peacefully.

"I think it's fair to point out that if people resist, if people climb up on the roof and if people refuse to come down, then it follows automatically that we must use some degree of force to get them down."

The Government was criticised for its handling of a similar operation at the Whitehead detention centre on April 7, when it claimed that only one person had been injured. It was revealed later that hundreds of Vietnamese had been hurt. An independent inquiry recommended that a designated officer should collect and release information about similar operations.

Tony Leung, the chairman of Refugee Concern, said last night: "It's just the same thing as April 7. The initial figures were totally out of touch with the real figures."

"We have been given reports of beatings by CSD (Correctional Services Department) officers. Any responsible government and legislative councillor would have to look at this situation as an abuse of power and an abuse of human rights."

### Report on Repatriation of Vietnamese 'Migrants'

OW2309073894 Beijing XINHUA in English 0712  
GMT 23 Sep 94

[Text] Hong Kong, September 23 (XINHUA)—A total of 33 Vietnamese migrants left here for home today, bringing to end a two-day exercise under an orderly repatriation program.

The make up of the group of returnees is similar to the 33 who left yesterday: 12 men, 12 women, five boys and four girls. The returnees had been in Hong Kong for five to six years except a 19-month old girl who was born in the territory.

The group include the remaining three men and one woman of the 11 people who were brought down from the roof of a hut at High Island detention center during the two-day police operation to move them for the departure flights.

The pre-departure checks at the airport and the boarding of the returnees were conducted smoothly and the plane departed for Hanoi ahead of schedule.

About 60 correctional services staff and 60 police officers were involved in today's operation.

The returnees were escorted on the plane by 56 police officers, immigration officers, interpreters, counselors and nursing staff.

### Citizens Sign Cards in Support for Xi Yang

HK2209064794 Hong Kong SOUTH CHINA MORNING POST in English 22 Sep 94 p 7

[By Chan Wai-Fong]

[Text] Thousands of shoppers yesterday signed cards for jailed Hong Kong reporter Xi Yang, in the first of a series of activities in the run-up to next Tuesday—the first anniversary of his detention. Xi, who worked for Ming Pao Daily News, was detained on September 27 last year and later charged with stealing state secrets. In April, he was sentenced to 12 years' jail after a trial.

Spokesman for the Operation of Fighting for the Release of Xi Yang, Cecil Lo, said all the cards would be sent to the Beijing No 2 prison where Xi was being held. A rally would be held this Sunday, Mr Lo said, while a candle-light vigil was to take place on the night of September 27 outside the Hong Kong headquarters of Xinhua (the New China News Agency).

"Xi's case is not a single incident. We would like the Chinese Government to know that its policy towards the media and journalists is not suitable for Hong Kong."

Mr Lo said. "Journalists and media organisations are ... not mouthpieces of the ruling party. And we would like to say this before 1997."

### Exchanges Develop With Hong Kong, Macao, Taiwan

HK2309062894 Beijing ZHONGGUO XINWEN SHE  
in English 1133 GMT 22 Sep 94

[Text] Beijing, September 22 (CNS)—Mr. Yu Guilin, Vice-Chairman and Secretary-General of the All-China Youth Federation, said when interviewed by our reporter there are some new developments in youth exchange between Hong Kong, Macao, Taiwan and the Mainland.

These developments have been summed up by Mr. Yu into "three increases".

1. Economic activities are increasing. To meet the requirements of the current situation, economy has become the main theme for the youth exchanges between Hong Kong, Macao, Taiwan and the Mainland. This is quite obvious for nearly each of 14 delegations received by the Federation this year had asked for arrangement of some economic activities, said Mr. Yu.

The Federation is now preparing for the visit of young entrepreneurs of township enterprises to Hong Kong, bringing with them at least one hundred projects on trade and economy for cooperation, Mr. Yu revealed.

#### 2. Influential organizations are increasing.

A number of influential youth organizations of Hong Kong, Macao and Taiwan have recently visited the Mainland. Exchanges between youth of the four places

are no longer just for superficial observation but have shown certain development in number of visits, range and topics for discussion, with more emphasis being put on various levels.

#### 3. Exchanges between university students are increasing.

The scale and influence of exchanges on this level have been growing. This summer saw a number of such visits including the "Bohai Gulf Tour" comprising students from the Chinese University of Hong Kong and Taiwan's National Chiao Tung University, a trade and economic delegation of the Hong Kong City Polytechnic, a camp exchange between students of Beijing and Hong Kong.

Mr. Yu said, exchanges between youth of the four places have made a breakthrough in 1992 and maintained a good development trend in the past two years. According to statistics, nearly 5,000 youth from Hong Kong, Macao and Taiwan visit the Mainland annually.

It is a pity, however, youth are only allowed to come to the Mainland but not the other way round. The Federation has applied for visiting Taiwan since May 1993 but received no response. Mr. Yu therefore hoped the Taiwanese Government would give the matter a further thought and approve as soon as possible. In that way cross-straits youth exchanges can be realized.

To receive youth organizations from Hong Kong, Macao and Taiwan, the Federation has to use at least RMB [Renminbi] 1.10 million every year. Most funds have come from different walks of life of the society.

The Federation is now preparing for holding a get-together of an unprecedented size among youth of the four places next year.

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